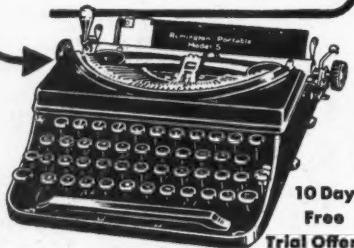


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NOVEMBER, 1934

REVIEW* OF REVIEWS AND WORLD'S WORK

Edited by ALBERT SHAW

The Progress of the World

The President Will Be Endorsed, 19 . . . Free to Vote and Afterwards to Criticize, 19 . . . Band-Wagon Passengers, and Others, 20 . . . Shining Knight or Regular Statesman? 20 . . . Johnson Out: Phrases Lose Their Magic, 20 . . . Success Comes Through Trial and Error, 22 . . . "Back Talk" Goes With Convalescence, 22 . . . Still We Have the Era of Good Feeling, 22 . . . The American Average of Happiness, 23 . . . The Foreigners Have Their Troubles, 24 . . . Reminding Us of Upheavals in Other Days, 24.

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Published by

THE REVIEW OF REVIEWS CORPORATION, 233 Fourth Avenue, New York City

ALBERT SHAW, President; ALBERT SHAW, Jr., Secretary and Treasurer

TERMS:—Monthly, 25 cents a number, \$3.00 a year, two years \$4.50. Entered at New York Post Office as second-class matter April 27, 1934, under Act of March 3, 1879. Additional entry at Dunellen, N. J. Printed in the United States of America. The REVIEW OF REVIEWS AND WORLD'S WORK is on file in public libraries everywhere, and is indexed in the Reader's Guide to Periodical Literature.

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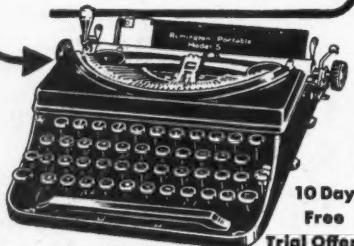
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Volume XC

Number Five

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Volume XC

Number Five

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• • In the Editor's Mail • •

New Deal Doubts

To the Editor:

After reading the letter of Mr. Everett Davis of St. Louis in the October issue, I am prompted to write you that the things which caused Mr. Davis to cancel his subscription have kept me from doing that with mine. Until recently I have felt that you were either quite partisan or else you could not see where the New Deal is really leading us. I'm glad you have begun pointing out some of the dangers confronting the people of this country.

DONALD DRAGOON
Muncie, Indiana

Mr. Davis wrote: "Please cancel the rest of my subscription. In this day and time I need optimism, something good in the New Deal."—ED.

To the Editor:

Please cancel the rest of my subscription. Let's go forward, not backward. Tell me, do you *honestly* believe that "over-speculation" caused this depression—No, you've heard the word too often.

R. C. BEVERSTOCK
Los Angeles, California

To the Editor:

Recently I had decided to substitute another magazine for yours. In the October issue, however, I noticed that one of your subscribers was discontinuing because your editorials did not agree with his political viewpoint. The editorials in your last two issues have been so fearless, forthright and outspoken, that I admire greatly the courageous and sincere attitude of your editor, Dr. Shaw, and even though I may not agree entirely with his conclusions, I do believe that such editors should be supported and encouraged. I have therefore reversed my decision to discontinue my subscription. This will offset your other subscriber's cancellation.

ALGER R. SYME
Minneapolis, Minnesota

Clipper Ships

To the Editor:

Jo Chamberlin's article on the Merchant Marine is excellent in the main, but he has fallen into one error so common among present-day writers that it should be brought to notice.

The ship *Benjamin F. Packard* was not a noted clipper". Those famous ships died out soon after the Civil War; Donald McKay built his last in 1869. The *Packard* was one of the Maine built vessels which took up the load after the clippers passed, and carried it to the end soon after the turn of the century. They were staunch ships of good cargo capacity and reasonable, but not extreme, speed. The modern reporter refers to practically every old wooden ship as a "clipper".

Incidentally, more strength to your elbow in your editorials! Your comments

on the present conditions in this country are fair and fearless; I look forward to them each month.

PHILIP H. COOK
Worcester, Massachusetts

Mr. Chamberlin says that he is covered with blushes and confusion for having let a news-photo caption writer persuade him against his better judgment that the *Benjamin F. Packard* was a clipper.—ED.

"About Your Insurance"

INTEREST in life insurance grows ever larger as the individual comes to look upon insurance as an investment rather than a means of burial. Our readers' interest in the subject was especially noticeable following the publication of Joseph Stagg Lawrence's article, "How Safe Is My Insurance?" in the July number.

Beginning with this issue, therefore, the Editor segregates questions that relate to life insurance, and answers will be found on another page. See page 72.

Electric Power

To the Editor:

Being one of your "constant readers", I looked over with more than ordinary interest the article "A Coming Boom, or More Bunk?" in the October issue of the REVIEW OF REVIEWS, and was particularly struck by one item of the chart on page 53, that is, where it showed that the average electric power production from March to August, 1934, was 26 per cent less than the average of the 13 years 1919 to 1931.

I had it checked, and on the attached sheet you will see the billions of kilowatt hours used each year from 1919 to 1931 inclusive, amounting to an average of 64,500,000,000 kilowatt hours per year over this period. In the six months, March through August, 1934, the output was 43,900,000,000 kilowatt hours, or an annual rate, on an arithmetical basis, of 87,800,000,000 kilowatt hours. (Output for the first 39 weeks this year was 7.9 per cent more than for the same period in 1933, and if this rate continues for the balance of the year the 1934 output will be 87,200,000,000 kilowatt hours.)

Therefore, on the same basis as your chart, this annual rate, based on the figures from March through August, 1934, is 136 per cent of the average of the 13 years 1919 to 1931 inclusive, instead of being 26 per cent less, as your chart shows. Of course, if a person finds one error in a chart, he immediately becomes suspicious of other figures.

GERARD SWOPE
New York City

The difficulty here is one of failure on our part to make our calculations clear, rather than an error in the figures.

Our chart dealt entirely with indexes. The REVIEW OF REVIEWS maintains a

composite monthly as well as weekly index of business. This in turn consists of a representative number of component indexes each one of which is separately calculated. For most of these, it has been possible to take a straight numerical average as the base or 100. In the case of carloadings, for example, we take a straight average for the period 1919-31, and express the carloadings for each month as a percentage of this average. The only adjustment we make here is for seasonal peculiarity.

In certain of the indexes, however, it is a consistent growth factor for which we make allowance. Among these indexes are bank debits, both inside and outside of New York City, department store sales, crude oil production, and of course, electric power production. The theory here is that a certain amount of growth is normally to be expected and should be allowed for in the calculations of a statistical normal.

When our chart, therefore, indicates that electric power production for the six-month period, March to August, 1934, is 26 per cent below the average for the 1919-1931 period, we mean that the index for this six-month period is below the average of our monthly index of electric power production for the period 1919-1931. Naturally, if we had employed the crude data our calculation as presented in the chart would have been seriously in error as your own letter indicates.

The fault is ours in that we failed to accompany the chart with an adequate explanation of its meaning and method of calculation.—ED.

In Re Grand Coulee

To the Editor:

I have just had called to my attention the August Review in which is an article about the Grand Coulee development on the Columbia River. On page 53 appears a map of the drainage area of the Columbia River, on which the location of the Grand Coulee dam is incorrectly shown. The location shown on the map in your article is that of the Rock Island dam, which is owned by and was built by our subsidiary, Puget Sound Power & Light Company. The correct location of Grand Coulee is 75 miles air-line distant from the Rock Island dam and 160 miles by river upstream from that dam.

The word "Grand Coulee" refers to a prehistoric bed of the Columbia River which ran in a southwesterly direction from the present Grand Coulee dam location. This old river bed is several hundred feet above the present bed of the Columbia River but it is planned to use it as a storage reservoir for the future.

I am sending you this information knowing the high reputation for accuracy of your magazine.

C. W. KELLOGG
Engineers Public Service Co.,
New York City

"The Cowards Never Started—the Weak Ones Died by the Way"

a frank message TO MEN WHO CAN START ... AND FINISH



1848 "Gold! Mountains of gold and precious metals... land so fertile that it grows four crops a year... game so plentiful that hunger is unknown."

Out of the West came these exciting reports. Like sparks on tinder, they fired the desire of men grown restless with peace. Hardened old soldiers oiled their rusty flintlocks. Farmers piled families and ploughshares into Conestoga wagons. Around them rallied young bucks eager to match their mettle against life; daring tradesmen, adventurers, desperate seekers of "another chance." As stout-hearted a band as the world ever saw was soon straggling over the prairies, dreaming of riches.

Yet "hard" as they were, the West was even harder. Of the thousands that started, only a handful pulled through. Behind them was a trail blazed by bones... through dark forests where Indian ambuses had brought grim death... over waste-lands where starvation had stalked... over blistering infernos of desert. Among the survivors there was a saying—brutal, pitiless, but true—"The cowards never started; the weak ones died by the way."

New Calls—to the Old Courage

1929 Times change. Goals change—the glimmering riches of the early West are but a drop in the bucket compared to the fortunes being made in America's business.

Again the call rings out. Eager millions answer it. In humming plants and busy offices they optimistically pursue the success which seemingly comes automatically with years of service.

Then, like the perils which beset the pioneer, the Depression descended. Factories closed. Business dwindled. Millions were discharged. Other millions were forced into working at any price they could get. Yet a certain few remained so valuable, so indispensable, to their employers that they retained their pay and promotion, and some even won advancement.

1934 Again times and goals change. But human nature is still the same. Only a few hardy souls ever taste success. The cowards never start—the weaklings fall by the wayside.

On cowards the world wastes no sympathy. Nothing can ever be done for them. Since they dare not enter the race for success, they must

stay behind and take what nobody wants... be satisfied, during good times, with drudgery and poorly-paid work; during the bad, with unemployment.

But if you are fighting to get ahead, it is a tragedy—this working yourself to the bone, yet lagging behind in the race... all for lack of business training. Today, as in pioneer times, a brave heart cannot overcome the handicap of inexperience and poor equipment. Today, moreover, the penalty of ignorance is even costlier! Too many others are after your job! To be safe, you must be indispensable.

The Secret of Survival

Thousands of men and women like you, however, have met that challenge. With the help of LaSalle, they have trained for the better-paid, specialized positions that were beyond the rank-and-file. When the depression came, they were retained on the pay roll, while the less far-sighted were dropped. Many had the unique distinction of reporting pay raises and promotions. Others now occupy positions which they could not have hoped to attain, if the test of the depression had not brought their competency to the fore.

Needless to say, when business returns to normal those who make progress in this present period are slated for far greater rewards. They are the new executives, the new business leaders, of America's tomorrow.

The little time it takes to prepare for a better position through LaSalle will surprise you—as will its negligible cost. Over a quarter of a century's experience with nearly a million students has helped us develop the fascinating LaSalle Problem Method which phrases both theory and practice in intensive terms of results. The training itself, for every vocation, represents what you need most to meet the new problems and new opportunities of post-depression business...

Why, then, risk the "wayside fate" of the weakling, when it takes but a postage-stamp to investigate the training that is helping thousands win success today? The coupon brings you full information on your chosen line. There's no cost or obligation. If you are sincerely interested in getting ahead, have average education and a real purpose—you will mail it now.

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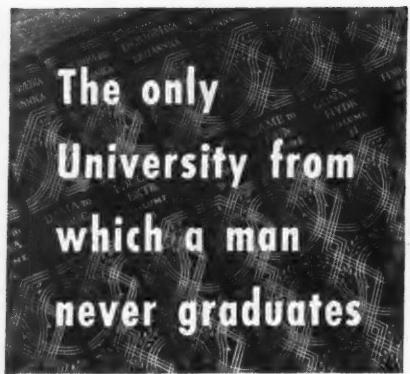
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Medical \$\$\$\$

To the Editor:

Regarding the article "Cutting the Cost of Sickness" in a recent issue. . . .

In normal or abnormal times, it is largely a question of what the American public will spend its money for. The public has been educated to spend more for tobacco, cosmetics and patent medicines than it spends for genuine health services. Why do we not hear agitation for group provision of tobacco, gin, cosmetics, gasoline, automobiles, radios, tires, rent, food, clothing, which are preventing citizens from being able to buy personal or family health services? \$50 put into medical or dental services goes much farther than the same amount put into rent, food, clothing, etc....

More money is spent for things detrimental to health, today, than is spent for maintaining, safeguarding and restoring health. How will persons who now require but \$5 worth of medical or dental attention yearly react to a sudden payment of \$24 a year into the pot?

What the country needs, in this connection, is to have its people educated to the fact that health services are just as necessary (and just as good buys) as commercial and industrial services or dissipation and indulgences in nonessentials. . . .

HUBERT C. KNIGHT, D.D.S.
Syracuse, New York

Utilities

To the Editor:

Your article entitled "Analyzing the Utilities" appearing in the October issue is a good summary of the present status of the public utility industry. It is an encouraging sign to have such a statement of facts emphasize the heavy burden that the industry is carrying to serve the public with reasonable rates.

Your plan of rating as devised by Mr. Lawrence brings out some interesting points, but in my judgment produces a distorted picture of the systems under analysis. To make my point clear, I am enclosing a statistical analysis of combined earnings and consolidated financial condition of The United Gas Improvement System for the past five calendar years.

As pointed out in this statement, the earnings of the system are reported on the combined rather than on a consolidated basis. This arrangement segregates the earnings of operating subsidiaries from the income of the holding company received from sources outside the system, thus, producing a more detailed statement of the source of earnings and their relation to capitalization.

May we also point out that the outstanding debt of its subsidiaries is a relatively small proportion of the total capital structure. This feature adds stability to its equality earnings and correspondingly justifies a higher ratio of price per dollar of net earnings and of dividends. It seems to us that your rating has worked a hardship on such a system as The United Gas Improvement Company, which is noted under your headings of "dividends" and "net earnings" as possessing outstanding stability.

We hope that these comments may be helpful in connection with your analysis. If you plan another study at a future date, please feel permitted to call upon us for further information.

W.M. W. BODINE
Philadelphia

These points are well taken, and they

furnish the occasion for emphasizing once more that the analysis which we provide is in no sense conclusive and should not be used by the investor as an exclusive guide to action.

You are well aware of the difficulty which confronts the average investor when he consults the established manuals. He is overwhelmed by detailed and statistical material, and long before he is able to reach an intelligent decision, he is suffocated by facts. Consequently anything which simplifies these facts, and establishes an initial basis of comparison, may be regarded as a help to the investor. We realize, and try to emphasize repeatedly, that the investor must not park his intelligence and accept our rating as final.

In your case, the detailed statement which U. G. I. furnishes is certainly a definite aid to the investor, and should recommend, other things being equal, a preference for U. G. I. as compared with some other issue which does not provide the same detailed information.

We also agree with you that stability of equity earnings is a factor that no investor should ignore. Other things being equal, the company with more stable earnings should be the better choice. However, it is very difficult, in an analysis which covers a great many companies, to inject the qualifications which might seem necessary in each particular case. The best we can do is to warn the reader to be on his guard and use our reference merely as a starting point for his own reasoning.—Ed.

New Deal Denied

To the Editor:

. . . Since the government is but a group of human beings—with all the frailties, perversities, and inconsistencies of other human beings—there is nothing supernatural or sacrosanct about it.

Officials elected by the people may or may not have any special qualifications for the office they hold. Selection by popular election does not insure fitness for office. Such election does not increase the official's brain power, improve his judgment, nor better his foresight. All that it does is to give him, for the time being, a little more authority. . . .

Are we then justified in expecting the government to do things for us that we cannot do for ourselves . . . ?

Yet we talk about the government (a group of politicians and their satellites) taking over the transportation lines and regulating industry in all of its ramifications for the benefit of the people; little heeding that we, the tax payers, will have to make up the deficit at the end of the year's operations.

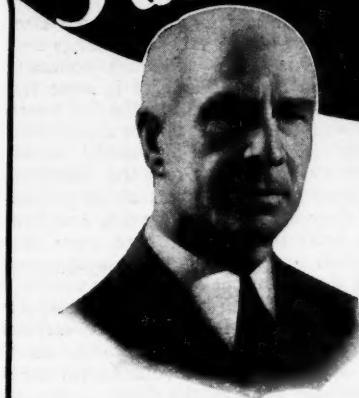
We talk about a planned economic and social system without asking who is going to pick the planners. We forget that the success of any system or process depends on a constant weeding out of the incompetent, shiftless and submarginal people. A selective process must be carried on all the time. Either we must do this premeditatedly, or nature will do it in some form for us. Obsolete methods, machinery, equipment, ideas, and people must be eliminated in order that there may be any progress.

Who is wise enough to be the eliminator?

R. C. BARNETT
Jefferson City, Missouri

I don't care

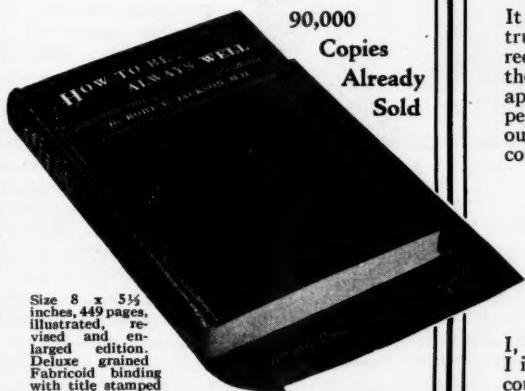
*whether you're nineteen or ninety
---whether you're sick or well
---whether you think that your
best days are behind or still ahead*



Robt. G. Jackson, M.D., at 76

At 50, he was crippled with arthritis, half blind from Glaucoma, near death from blood pressure and a worn out heart, and given less than four months to live. He not only fought off death, but, at 65, he won a \$1,000 first prize for bodily perfection against all comers of all ages. Today, at 76, he is a tireless writer, lecturer and business man, works eighty-five hours weekly—never holidays, yet literally never tires. Born to a heredity of early death and chronic sickness, he now defies disease to attack him, and has not had so much as a cold in over twenty years. Vital tests used by insurance companies actually rate him a man of 35. Barring accident, he sincerely expects to live at least another quarter century.

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I will show you a new way to live—a way that will banish sickness, add 25 to 50 years to your life, and bring you the vitality and vigor of youth.

You're probably one of those who think that advancing years must take most of the joy from life, that you must expect an increase of sickness and nerves and tiredness, that age will inevitably force you to give up many of the things you most enjoy, reduce your quota of energy and vim, and cut down your capacity for enthusiastic work or zestful play. That is *not* the case, however. Age is *not* a matter of years. It is a state of mind and a state of health. In my own case, vital tests used by insurance companies actually rate me a man of 35. I walk ten miles a day and can run five miles in forty-seven minutes. I can do anything the average twenty-two year old can do, and do it better. I am *not* old even though I am seventy-six. And all that becomes more remarkable when you consider that twenty-six years ago, at 50, I was an "old" man, given less than four months to live by eminent fellow physicians.

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That is the key-note of the regimen which transformed me from a dying crippled wreck at fifty, won me "Physical Culture Magazine's \$1,000 grand prize for bodily perfection against all comers at 65, and now, at 76, keeps me one of the most active, vigorous men in the world. It is the philosophy which has kept me immune to disease—even colds, for a quarter of a century, which has opened up an entirely new life for over 90,000 readers of my book, "How To Be Always Well", and which holds the key *you* are looking for if you are interested in mental and physical keenness, freedom from sickness and disease and twenty-five to fifty extra years of life.

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Men, Women and Books

Who Runs Who?

AMERICAN congressional and state elections of November 6 find two distinct philosophies facing one another at the voting polls. Shall government run business, or shall business run government?

Here is the nucleus of the question, as voiced by liberal New Dealers and conservative Constitutionalists of 1934. It is an issue of man-made economic laws (as of the Middle Ages and the post-war era) versus the natural economic laws voiced by the French revolutionists of 1789, Adam Smith, and present-day Wall Street. The conservatives stress individual liberty, and the liberals voice collective humanitarianism. Both in the main have honest motives and high ideals—though each has accused the other of bribery and avid vote-grabbing.

Able protagonists of the two factions are Herbert Hoover, our only ex-president, and Henry Wallace, secretary of agriculture. Both men are westerners with broad outlooks and fine personal records, and both have written books outlining their beliefs prior to the November election. "The Challenge to Liberty" is the Hoover contribution to conservatism, published by Scribners (212 pages, \$1.75); while "New Frontiers" contains the Wallace credo as to the future of a liberal America, published by Reynal & Hitchcock (314 pages, \$2).

Of the two, the Hoover book is harder reading and perhaps more passionate. The Wallace tome, like its author, is outstandingly sportsmanlike and good-humored. Hoover marshals all the familiar arguments against collectivism, condemning fascism and Marxism in their various forms with a unilateral sweep. Wallace believes that America's new frontiers are spiritual, since the new frontiers of the Old West are gone forever. Strangely enough, Hoover accuses the New Deal of favoring the ultra-rich; while Wallace drives the same accusation at the *laissez faire* which preceded March, 1933.

The books, after a joint perusal, remind one of a debate between Gladstone and Disraeli; or between Lincoln and Douglas. And the most of us, conservatives and liberals, believe in freedom of debate—which includes the peaceable airing of differences, instead of the fascist shooting method.

HERE is no other city quite like New York, and not a few residents of other cities, such as Cleveland, Detroit or Denver, are glad of it. However, New Yorkers thrive on soot and smoke and

wouldn't think of living anywhere else. New York has the tallest buildings and the dirtiest slums, and such contrasts have been characteristic of it since the Dutch started all the trouble 300 years ago. One thing the town has always had plenty of, and that is interesting people. Henry Collins Brown tells the "Story of Old New York" in terms of its people; who they were, what they did, and how they built the town. There were few unselfish souls among them, and many filled their own pockets as they watched the city rise from a tenth-rate seaport to a modern metropolis. The author covers New York history up to the great Fire of 1835. A later volume will take the reader through the Great Crash of '29. Mr. Brown is a sympathetic observer of human nature, and not at all a foot-note conscious historian. He is an old New Yorker himself; he loves the town.

It is within his memory when the bowsprits of sailing ships overhung South Street, when polite society did its shopping in old Washington Market, and when shanty began north of 59th Street. (E. P. Dutton, 373 pages, \$5).

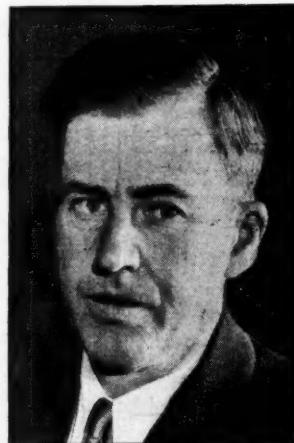
City Editor

Stanley Walker, city editor of the New York *Herald Tribune*, has just written a new book, aptly titled "City Editor" (Stokes, \$3.), which is a sprightly account of life on a newspaper. Experienced journalists, as well as neophytes,

will do well to study Mr. Walker's style. It is bright and shining prose, gleaming with vivid phrases and colorful language. It is packed with anecdotes and facts; none is uninteresting or dull. Though Mr. Walker goes far in debunking the "Front Page" idea of newspaper life, after sixteen years of newspaper work he still finds it the most fascinating profession of all. He makes many astute observations and shrewd definitions. For example:

"It will be time, some day, to get a scientific definition of the word (liberal) in the light of history and modern trends. It has been used so much by Broun, by Roy Howard, by Hearst, by Stern, by Lippmann and others, that it has become somewhat bewildering. Even Frank A. Munsey on occasion called out for liberalism, urged the scrapping of the old political parties and the formation of a great 'liberal conservative' party, whatever that would be.

"A liberal, at the latest taking of temperature, and with only a few precincts missing, seems to be a man like this: He is not a member of the Union League Club. He likes Jews. He frowns on



HENRY A. WALLACE

lynching. He is hot for peaceful picketing and bitter against cossack policemen. He is tolerant of both Karl and Harpo Marx. He wants to deport Dr. Haenstaegl, here for a college reunion. He swears by the Bill of Rights, but is always tinkering with it, scraping and varnishing. He likes dirty books. He is a rabid individualist, stringing along with Thomas Jefferson Monday and Fridays, and the rest of the week he is a collectivist. In short, he doesn't make sense. His label is frayed. He is a lost maverick wandering on the vast ranges of the world of journalism, politics and ideas. And he knows no brother."—I. G.

Bureaucracy Reborn

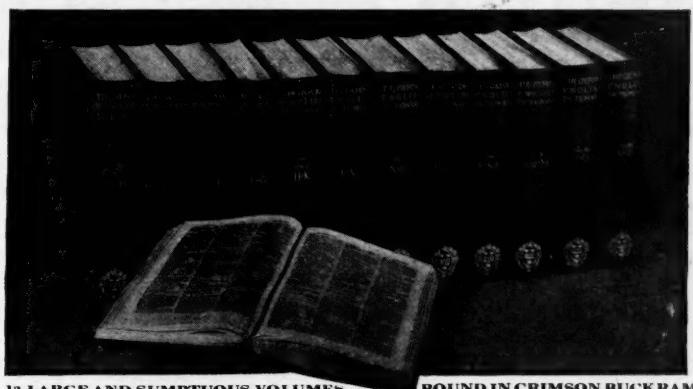
DAVID LAWRENCE's slim figure and quiet manner have been familiar to Washingtonians these twenty-five years. He joined the Associated Press staff at the capital in 1910 and has been on the job pretty much ever since. Recently he has been better known as the editor of the *United States News*. In his various capacities he has probably met more really big business men than any other writer. In his new book "Beyond the New Deal" he holds the present administration at arm's length and looks it over. In plain language he takes up the various emergency measures and recovery efforts, and gives the New Deal its due. He is concerned, however, over the rise of bureaucracy and the handing over or yielding to the government of powers which should remain in private hands. He wants the country to avoid communism or fascism, and he thinks that the best way to do it is to replace rugged individualism with responsible individualism. Mr. Lawrence would like to see emergency measures remain emergency measures. His book is a plain-spoken analysis of what the Administration has done and has failed to do, along with some pertinent suggestions on reforms in the future. (Whittlesey House, McGraw-Hill, 317 pages, \$2.50).

H. G. Wells on Himself

A VERY GREAT man is Mr. H. G. Wells of England and the World, a novelist, a thinking idealist, an international planner, and an amateur scientist. Along with Albert Einstein, whom he esteems, Wells is probably one of the two most versatile figures of our times. It is high time that his fellow citizens of all lands should receive his rich life-story—and here it is, intimately, at last.

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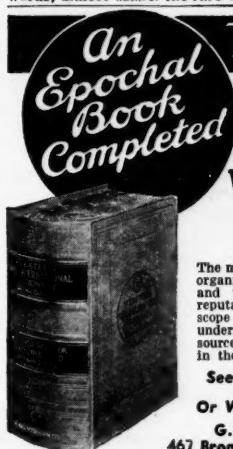
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the author himself, which are perfectly "swell" in their humor and originality.

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After the Battles

STUDENTS OF WARTIME and post-war diplomacy do not lack for facts. The vaults of the various governments, universities and libraries are stacked high with bundles of correspondence, resolutions, memorandums, ultimatums, and covenants. In recent years more material has been coming to light on the personalities involved in the war and the troubled years which followed. In his "Curzon: The Last Phase, 1919-1925", Harold Nicholson completes a three volume study of modern diplomacy. He takes up Curzon's career as Viceroy of India but briefly, devoting most attention to his years as Secretary of State for Foreign Affairs, 1919-1923. Curzon had his weaknesses, plenty of them, but he labored industriously for England and for peace. Perhaps his greatest weakness was that he did not have the ability or desire to be a "popular figure" with the electorate. It played no little part in his final failure to become Prime Minister. Stanley Baldwin was found to be more acceptable politically when Lloyd George fell in 1923. But Curzon swallowed his hopes and continued in public service until his death in 1925, endeavoring, as he once wrote idly on a sheet of No. 10 Downing Street notepaper, to "serve his country, and add honour to an ancient name." (Houghton Mifflin, 416 pp. \$4.50.)

To a Sour Apple Tree

TO THE ETERNALLY revolution-minded, and to progressives, John Brown was a hero and a patriot saint. To the uninspired, he was a forcible fool of parts. To the ante-bellum southern capitalists, and to many northern business men too, John Brown was a vicious Jacobin or Bolshevik, intent on civil anarchy, bloodshed, and that so hideous thing—the confiscation of private property. For John Brown threatened Negro slavery, that "peculiar institution" which was to southern capitalists what stocks and bonds and sweated factory-labor were to their northern equivalents in New York and Boston. Even your New England abolitionists, sympathetic in the main to John Brown, were little troubled by conditions in the new Yankee textile mills which were, in some respects, worse than those existing under black slavery.

(Continued on page 12)

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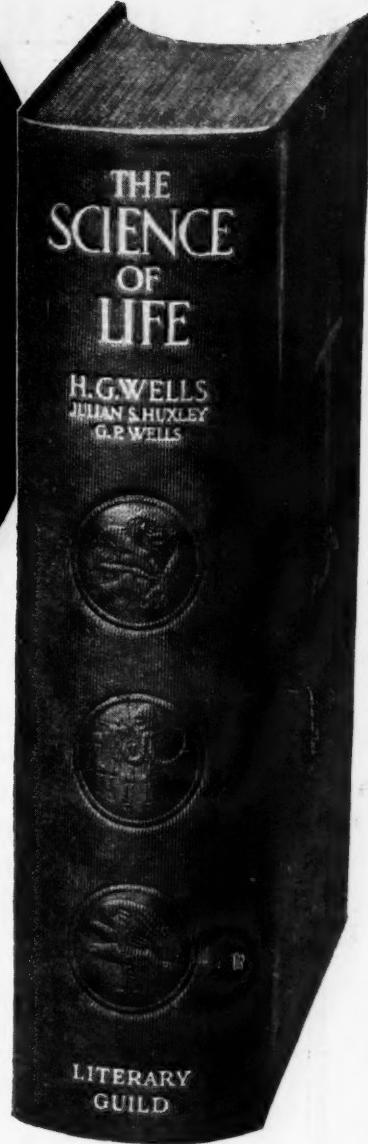
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Continued from page 10

David Karsner, in "John Brown: The Terrible Saint", has written the first biography of this grim gentleman in a number of years. His work is very complete, and naturally of great interest, based in part on letters that have recently come to light. Profound research characterizes the presentation, and the treatment is as objective as the treatment of so controversial a personage well could be. Here is the story of fanaticism as it affected a one-track mind—who prosecuted his liberal aims with a more than Nazi zeal. John Brown was a nineteenth-century New Dealer, in an era when the new Republicans were radicals and diehard Democrats were tories. (Dodd, Mead, 340 pages, \$3.)

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Dead or Alive?

HERE is no doubt about it. Reading Karl Marx or his followers demands stamina. The reader who is not on fire with enthusiasm is bound to find the going tough. Only the diligent are rewarded. It is with something of this same feeling that one approaches the 622 pages of Lewis Corey's "Decline of American Capitalism". Here is a wealth of information and analysis. Mr. Corey goes far back in tracing the maladjustments in our economic order. He views the depression as the most drastic deflation the country has ever had, but one that was inevitable because capitalism had run its course. The machinery, as it became more complex, could not or would not adjust itself to social demands. Mr. Corey does not over-simplify, and he supports his statements with statistics and other opinions than his own. The book is well documented. His final conclusion is that capitalism is dying. The New Deal doctors may inject a little life into the old body, but collapse is inevitable and the undertakers are hanging around outside the hospital door already. Mr. Corey's remedy is communism. (Covici, Friede, 622 pages, \$4).

Einstein's World

ALBERT EINSTEIN is a leading physicist, a noble pacifist, a yachtman, musician, and hiker, and something of an international Santa Claus. He is one of the most lovable figures of our time, and perhaps the most intelligent. Born at Ulm in 1879, he has lived in Italy, Switzerland, and America, as well as in his native Reich-without-Hitler. He won the Nobel Prize for physics in 1921, and "relativity" is his famous specialty.

Science, Judaism, Germany in 1933, Politics and Pacifism, and "The World as I See It" are the book's main themes; and with such a scope our Old Maestro is able to express a wide variety of his views on life. "The pursuit of knowledge for its own sake, an almost fanatical love of justice, and the desire for personal independence—these are the features of the Jewish tradition which make me thank my stars that I belong to it." Here is a noble philosophy of existence—thoroughly in the Einstein spirit, and in Einstein's own words. (Covici, Friede, 290 pages, \$2.50).

In Re Iberia

An attempt to write a general history of Spain is no small task, yet Louis Bertrand and Sir Charles Petrie have done their work admirably. The collaboration has produced a volume that emphasizes the main trends in the history of Spain and has the merit of charm of presentation and authoritative interpretation.

"The History of Spain" is divided into two parts. M. Louis Bertrand presents the history from the Moorish conquest in 711 to the death of Philip II in 1598, and collaborates with Sir Charles Petrie on the later history to the Revolution of 1931. M. Bertrand's point of view is decidedly Christian and Catholic to the extent of exalting that civilization. He holds that the Moorish domination served to produce anarchy in Spain and only produced a higher type of civilization when the native elements modified the barbarism of the Arabs and Berbers, when the Moors divided into embattled states. He excuses the barbarities of the Inquisition through a comparison with the intolerance and oppression of the faquires and the Moslem conquerors. He also emphasizes the missionary zeal of the Catholic Kings as the dominant factor in the conquest of the New World, exonerating the *conquistadores* in their treatment of the natives as the triumph of Catholic civilization over barbarism, forgetting, perhaps, that the Incas or Aztecs might in the course of historical evolution have developed a superior civilization of their own. The whole volume is distinctly readable and of interest to all persons who desire an understanding of Spanish history. (D. Appleton-Century Co., 564 pages, \$4.) Current fighting in Spain between "right" and "left" makes this great work especially timely for keen newshawks.—Rh. S.

Who's Who and Why

IT is the ambition of every bright young American redblood to become President. A secondary goal of prospective go-getters is to "make" the famous "Who's Who in America". Volume 18, covering 1934-35, has just appeared, ably edited by Albert Nelson Marquis. Some 3,000 additional "sketches" have been added, making the present total 31,081. This edition contains many New Dealers. Approximately 85 per cent. of the "inmates" are college men; and one out of every 3,900 Americans has made the grade into the Marquis hall-of-fame. Its expert treatment seems to improve through the years. (A. N. Marquis Co., Chicago, 2749 pages, \$8.75).

VOLUME 13 of the "Encyclopaedia of the Social Sciences" has just made its useful appearance. Edited by Drs. E. R. A. Seligman and Alvin Johnson, this series (which has been coming out volume by volume) is of inestimable importance to anyone interested in public questions, past or present. Volume 13 (Macmillan, 674 pp. \$7.50) opens with *Puritanism*, and closes with *Service*. A remarkable assemblage of notables has contributed to make the articles of this compendium noteworthy.

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SIXTH: That this power was not exclusive in Jesus, but is UNIVERSAL.

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Famous and Forgotten

FIFTY YEARS AGO this month a slurring remark uttered by a clergyman in the height of a political campaign gave the presidency to Grover Cleveland. "Rum, Romanism, and Rebellion" were declared to be the antecedents of the Democratic party; and religious intolerance became the paramount issue. This present generation knows too little of the man who lost the presidency through the casual remark of an over-zealous orator, and will welcome a volume entitled "James G. Blaine: A Political Idol of Other Days". Prof. David S. Muzzey brings to his task a peculiar skill born of a lifetime of study and teaching in the field of American history plus a rich experience in writing.

Blaine led in the balloting in the Republican conventions of 1876 and 1880 but lost the nomination each time because he was vulnerable—first because he had sought railroad favor while Speaker of the House; later because he had gained the enmity of Roscoe Conkling. And in both those years the Republican nominee carried the election. When he did become the convention choice, in 1884, the election slipped through his fingers at the last moment.

Blaine's claim upon enduring fame comes as a result of two periods of service as Secretary of State, rather than upon his service as Representative, Speaker, Senator, and presidential candidate. There was a controversy with Germany over Samoa; one with Great Britain over Alaska for seal fisheries; a clash with Italy over the lynching of a New Orleans "black hand" gang; a diplomatic incident with Chile which culminated in an attack upon United States sailors in Valparaiso. Professor Muzzey has brought to life an almost forgotten man and an almost forgotten period in American history. (Dodd Mead, 514 pages, \$4.)

Have You Seen These?

LINCOLN LIBRARY of Essential Information. Standard one-volume manual for reference and general information on cultural and scientific subjects. New edition thoroughly revised and brought up to date, (The Frontier Press, Buffalo, 2174 pages, \$15.50).

BRIDGES by Henry H. Bormann. A splendid collection of photographs of bridges, ancient, old-fashioned and modern, with a concise running explanation of the art and engineering of bridge building. A well-designed and well written book. (Macmillan, 78 pages, \$2.)

FLORIDA OLD AND NEW is a book which attempts to span Florida's history from the earliest explorations up to the present time. While of primary interest to Floridians, there is much material of general interest in this volume by Frederick W. Dau. It should be read in sections, for it contains a vast amount of information on a variety of topics. Not all this state's history is romantic; the author devotes considerable attention to the landgrabbing and political corruption, which have prostrated the state in times past. (Putnam's, 377 pp. \$5.)

March of Events

Continued from page 68

NEW YORK Republicans, in convention at Rochester (September 28) nominate Robert Moses, famed head of state parks and parkways, for Governor and E. Harold Cluett, of the collar family, for U. S. Senator.

RHODE ISLAND Democrats renominate Governor Green and designate Peter G. Gerry (former Senator) for the Senate.

EXPENDITURES in New York state by various New Deal agencies are estimated (October 11) to exceed 1.2 billion dollars. The figures are understood to have been compiled for campaign purposes. They include loans, PWA projects, farm credits, relief grants, and such.

THUS the season of political primary and convention, that began in Pennsylvania and New Jersey on May 15, comes to an end. Elections are to be held on November 6 throughout the states, for 36 United States Senators whose terms are expiring (plus several vacancies) and for 35 Governors.

Textile Strike Ends

"A magnificent victory" is claimed by the strikers' leader; but the gains are not evident.

GENERAL JOHNSON, National Recovery Administrator, asserts (September 14) that the textile strike is an absolute violation by labor of an agreement arrived at last June. He declares that "the cotton textile industry is the very last place in the country where a strike should be ordered." Hourly wage rates, he adds, have been increased 70 per cent by the cotton code.

AN Associated Press estimate of textile workers idle as a result of the strike (September 14) places the number at 401,000, with 335,000 others working. The strikers claim more, the employers less.

AN estimate of National Guardsmen on textile-strike duty in Southern States (September 16) places Georgia in the lead with 4,000 men, North Carolina next with 2,300, South Carolina 1,700, and smaller numbers in Alabama and Mississippi. Militia are on duty also in New England, in Maine, Rhode Island, and Connecticut.

THE President approves (September 20) a report of the special Winant board of inquiry for the cotton textile strike. He asks the United Textile Workers to call off its strike, and the employers to take men back without discrimination. The report calls for a Textile Labor Relations Board with power to adjust grievances arising under Section 7a of NRA.

RETURN to work is ordered by the executive council of the United Textile Workers (September 22) upon the recommendation of its strike committee. "We have won a magnificent victory.... It is a triumph for labor, a complete vindication of its position."



By Dorman H. Smith, in the San Francisco Examiner

CONFUSION-ISM.

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King Alexander of Jugoslavia Murdered! A new international treaty abruptly halted? The world waits, horrified, thinking of Serajevo . . . Confused? Turn to Shaw's OUTLINE OF GOVERNMENTS. To quote briefly:

"Jugoslavia (dictatorial monarchy) is torn by a race question—a conflict between her two branches of the southern Slavs, the Serbs and the Croats." King Alexander was a Serb; his assassin a Croat. . . . "Relations with Italy have not been good, due to territorial disputes affecting the Adriatic region, and the Italian and Jugoslav dictatorships have glared at one another ever since their very inception." The fatal meeting of the Jugoslav King and the French Foreign Minister was, mainly, to keep French support for Jugoslavia and discourage a Franco-Italian alliance.

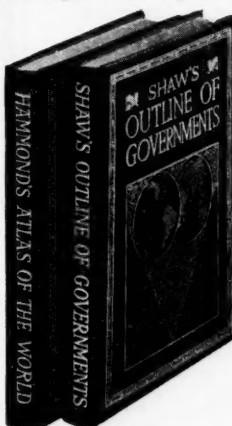
Shaw's OUTLINE OF GOVERNMENTS, written by Roger Shaw, foreign editor of the REVIEW OF

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Sensational!



SHADY BUSINESS IN THE RED CROSS

F all the sensational scoops in the field of journalism, this exposé in the November issue of THE AMERICAN MERCURY of a great public institution, supported almost wholly by contributions from millions of American men, women and children, will perhaps shock the American people the most.

The author, John L. Spivak, has unearthed a mass of information which casts a shadow upon "The Great Mother." He makes twenty serious charges against the Red Cross—charges buttressed by tremendous documentation from Red Cross and government reports and from admissions made by Judge John Barton Payne, its official head.

Mr. Spivak concludes that there is SHADY BUSINESS IN THE RED CROSS, and that the Congress of the United States, which chartered the organization, owes it to the American people who support it to make a thorough investigation of the Red Cross.

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A TEXTILE Labor Relations Board is named by the President (September 26). He selects the same three men who served as the Steel Labor Relations Board last summer; Judge Walter P. Stacy of North Carolina, James A. Mulenbach of Chicago, and Rear Admiral Henry A. Wiley, retired.

Russia Joins the League

A seat near the head of the table is offered to the Soviet, which thereupon accepts graciously.

RUSSIA is voted into the League of Nations (September 18) by vote of the Assembly, 39 votes to 3. Switzerland, Holland, and Portugal voting "No", and 7 countries refraining from voting. A two-thirds vote is required. One of the five permanent seats in the Council is then awarded to Russia, a vacancy resulting from the resignations of Germany and Japan.

CHINA fails to retain her non-permanent membership in the League Council, lacking 10 of the necessary 34 votes in the Assembly (September 17). Turkey and Chile are voted non-permanent seats.

Obituary

William Lorimer, 73. A newsboy, boot-black, and horse-car driver who became a contractor and served seven terms in the House as a member from Illinois; promotion to the Senate in 1911 brought expulsion amid charges of bribery. September 13.

Robert Fulton Cutting, 82. Long a leader in improving civic and social conditions in New York City; founder of the Bureau of Municipal Research, president of Cooper Union and the Metropolitan Opera Company. September 21.

Jule M. Hannaford, 83. Former president of the Northern Pacific Railroad. September 24.

Percy A. Rockefeller, 56. Financier. September 25.

George Herbert Harries, 74. Major-General, U.S.A., retired. A veteran of Indian wars, the war with Spain, and the World War. September 28.

John K. Shields, 76. U. S. Senator from Tennessee, 1913-25; previously chief justice of his state. September 30.

Franklin Simon, 69. A cash boy in Stern's, he later founded his own store and pioneered in transforming Fifth Avenue from fashionable homes into a world's center for fashionable women's apparel, October 4.

Alexander I, 45. King of Jugoslavia since 1921 and Dictator since 1929; killed by an assassin's bullet in France. October 9.

Louis Barthou, 72. Foreign Minister of France and twice Premier (1913 and 1930); shot while unsuccessfully protecting the King of Jugoslavia from an assassin. October 9.

Lord Cuschendun, 73. Britain's representative at the League of Nations in 1928-29. October 12.

M. M. O'Shaughnessy, 70. San Francisco engineer, responsible for designing and supervising the construction of vast water-supply projects. October 12.

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VOL. XC, No. 5
NOVEMBER, 1934

REVIEW OF REVIEWS

AND
WORLD'S WORK

THE PROGRESS OF THE WORLD

Success Through Trial and Error

By ALBERT SHAW

The President Will Be Endorsed

As OUR ELECTION DAY approaches it does not appear that the country is shaking off its apathy as regards the merely partisan appeal. Since the Republicans had not professed, even for campaign purposes, any belief at all in their ability to turn back the tide and gain control of the next Congress, the contest became more academic than practical. The Republican party, having been so badly defeated in 1932, does not yet find itself fully reorganized.

We have often said in this periodical that our American system has great advantages, but also some disadvantages. We believe that fixed terms of office, alike for executives and lawmakers, are better suited to the habits and conditions of our American democracy than the uncertainties that beset official tenures in France and various other countries. Also, we hold the view that our separation of the executive from the legislative branch of government has merit enough to outweigh the arguments against it. But we do not forget that the mere form of government, however important, is of less consequence than the conduct of officials and of private citizens in the use of political power.

Thus when we elect a Republican President and accord to Democrats or to a Coalition the control of Congress in unrelenting opposition to the President, it may be argued that we as citizens and voters are not making the best use of our constitutional system. Government by disagreement or deadlock is confusing and disturbing. It compels unacceptable eleventh-hour compromises. It patches up deformed budgets with hang-over deficiency bills. Its results please nobody. It leads to contempt or disparagement of authority as fumblingly exercised.

For so long a time as our citizens choose to group themselves in two principal parties, it is desirable to have control of both houses of Congress vested in the party that conducts the executive business. For this reason we believe it to be best, in the public interest, that the party which had prevailed in a presidential year should be able to hold confidence long enough to secure Congressional support for White House leadership through the second half of the quadrennial period.

On the other hand, it must be admitted, there are

times when disagreement and deadlock at Washington can be defended. The reasons may be stated in a sentence or two. The usual tendency of governments is to enlargement of functions, and to over-indulgence in the exercise of power. They appoint too many place-holders, and they meddle too much in the affairs of citizens. A relatively weak executive, ruled by powerful leaders of his party in the Senate and the House, will sign the bills that are presented to him, accepting the view that his duty is to execute the laws, not to make them. On the other hand, an aggressive President may acquire such influence that the majority in Congress is kept obedient to the plans and purposes of the administration. It may happen, therefore, at times that deadlocks are useful because they check the undue sweep of governmental dictation in various directions, and help the country to see that it can run its own affairs very nicely while the government sidetracks itself by its misuse of brakes and checks.

Free to Vote and Afterwards to Criticize

WHILE IN OUR OPINION it is usually best that a four-year Democratic President should be allowed to present his views to a second as well as to a first two-year Democratic Congress, we hold that a minority in both houses of Congress should be given full opportunity to criticize measures and policies. Parties have no vested rights. If they are not subordinating themselves to the good of the country they should be exposed and set aside.

It happens, however, that we have given official recognition to party machinery in the primary election laws of most of our states. It may be argued that all this mechanism of official primaries serves professional politicians better than it serves the cause of good government. But we have it to deal with, and we are going to maintain the Democratic and Republican parties for a good while to come unless one or the other of them should break down, as young voters build up a new party more to their liking.

For one thing we should be profoundly thankful. We shall vote freely on November 6, with an honest count of the ballots and a complete acquiescence in the results. Before the election—and afterwards—we shall maintain freedom of speech and of the press. We shall

not allow the temporary place-holders at Washington, in their insistence upon their own plans for adjusting the social and economic life of America, to drive the Administration too far off the recognized pathways. If criticism was withheld last year it was simply because the American people could act together in a time of emergency. They were not driven to accept Mr. Roosevelt's lead, but they made his leadership possible through their voluntary support of his policies and methods.

The main objects of this popular accord have already been accomplished. But the new bureaus at Washington are yet far from the attainment of their cherished goals. The country desired recovery, but many officials are intent upon the reconstruction of human society. We may commend them for their administrative work, while hesitating to accept their permanent policies without careful and critical analysis.

Band-Wagon Passengers, and Others

into the band-wagon and stay there, not assuming to ask the driver anything as to his direction or his speed, and (perchance) throwing a few harmless brickbats from the sides and the rear at unsympathetic people along the roadside.

We believe in both ways of upholding our institutions. It is Mr. Farley's job to keep the band-wagon well packed with passengers who are confident that they have nothing to worry about. With the best thinkers to decide for them, and the most courageous administrators to act for them, what have plain men and women to do but be grateful and faithful? Unless there are reasons to the contrary, democratic majorities ought not to break ranks but ought to follow their leaders in simple trust and deference.

But if acquiescence is too complete or too long continued, the underlings in office become arbitrary, and the beneficiaries of government become ever more greedy and insatiate. The ideals are too quickly dimmed or forgotten. Always it comes to observers as a fresh surprise to note the quickness of bureaucrats to become tyrannical, if the citizens of a free country do not assert themselves and "talk back" in self-defense. It is necessary, therefore, that there should be parties in a democracy, and that the minority should be organized and well represented. Every step in the direction of official tyranny ought to be exposed. In our present number Mr. Clapper, who writes from his post at Washington as a fair-minded and experienced journalist, discourses upon certain abuses of power, without hesitating to mention names, times, and places.

Shining Knight or Regular Statesman

questions. Second, they know that we shall continue to uphold the Administration, in the hope that it will not shrink from adapting its policies to the changing needs of the country. It takes rare strength of mind and power of judgment to throw off the moods and manners of emergency government, and to put on the sober

READERS WHO HAVE long kept this periodical on their lists will not have to be told about our positions. They are aware, first, that we shall deal frankly with public

raiment of dull, normal times—which are now with us.

Mr. Roosevelt last year was a splendid figure on horseback, so to speak. But he was leading an army of willing volunteers. It is time now for rapid, if not complete, demobilization. We need a statesman in the White House, aided by his constitutional advisers, rather than a King Arthur with his Round Table of knights in shining armor. Mr. Roosevelt has now the opportunity to show himself as versatile as he is intelligent, and we are eager to believe that he can reshape his program. It is not to his discredit that he has been so bold in experiment and innovation. We have explained in previous numbers that the President must naturally seek a vote of confidence in the November elections, in order that he may feel himself on strong ground in giving definite form to his modified plans for the two remaining years of his term.

It is impossible to do justice to the President's monetary and financial policies if one forgets, first, the sweeping force of inflationist sentiment in the country, and second, the pressure upon the federal government to take care of several million families whose bread-winners have been or still are out of work. We are decidedly of opinion that the Hon. Lewis Douglas was a sound adviser while he held the office of budget director. And, assuredly, the time is near at hand for some definite statements regarding financial policy. What is needed is to reassure business interests, rather than to expound or defend theories.

The recovery trends are slow, painful, and disappointing. There are few people capable of answering the question whether the Government's efforts to promote recovery have been mainly beneficial or to some extent harmful. We are willing to let that question go unanswered if we can be of the slightest help in persuading the Government to try the obvious plan of giving business a better chance to help itself.

Johnson Out: Phrases Lose Their Magic

IT IS THE DUTY of government not to absorb too large a share of the national income by means of taxation. It is its duty to reduce its expenditures and balance its budget. It is its duty to withdraw, as rapidly as possible, from its unaccustomed attempts to deal directly with citizens in their ordinary affairs. It can help the states by loans of credit and in other ways if they cannot provide for the ordinary needs of their own citizens. But of course, as everybody knows, there is no state in the union that could not now take care of its own people. Small European countries (far worse off than our states) are not appealing to the planet as a whole or to the League of Nations, but are managing their own individual situations. With some federal credit at their disposal, states, counties, and municipalities can deal with relief problems better than any federal agency whatever.

There are two phrases that will be less prominent as Mr. Roosevelt enters upon the second half of his term with the beginning of next year. The term "New Deal" has not acquired any accepted meaning; and "Blue Eagle" is not destined long to survive the retirement of Hugh S. Johnson. It will be some time before we can see the Johnsonian NRA in true historical perspective, as its overshadowing reality now disappears. It burst upon the country like one of the astronomical apparitions that overwhelmed superstitious multitudes

DONALD R. RICHBURG, who will direct the legislative or policy-making division of NRA, heading a board of six. The others are the Secretary of the Interior, Mr. Ickes; the Secretary of Labor, Miss Perkins; the Agricultural Administrator, Mr. Davis; the Relief Administrator, Mr. Hopkins; and the new chairman of NRA, Mr. Williams. Mr. Richberg is a Chicago lawyer, graduate of Harvard Law School, who became prominent in railroad labor causes. He was one of the authors of the National Industrial Recovery Act, and lately served as general counsel of NRA.

in former times. Its *modus operandi*, like that of comets and meteors, will sometime be analyzed by experts. Its artificiality will be brought into the open, because this is not the age in which mystery-men can long hide their trick boxes. General Johnson's methods can be explained only by reference to his experiences in 1918 behind the scenes.

Our European friends, whose propaganda had drawn us into their war, showed us how to use various further devices of propaganda to get the American public as a whole wrought up to a high emotional pitch, in support of the noble cause of one set of European empires against the other. From assisting General Crowder with draft regulations that created a fighting army but neglected to create the expected work army, the capable young Johnson—who was a Colonel in those days—helped to administer the business of the War Industries Board. It engaged in price fixing, and gave Europe the benefit of our food and other supplies at moderate prices, on terms of payment that Europe now repudiates.

General Johnson had not pursued a public career after the War, but he was brought to President Roosevelt as the one man for the emergency when Congress lumped a variety of extraordinary functions into its grant of power to the President, as embodied in the National Recovery Act. Publicity and propaganda were the means by which the American public was hypnotized for its European adventure almost eighteen years ago. The country was again to be galvanized, as it were, into regimented "recovery" by the use of revamped modes of war-time compulsion and appeal.

We know that it was the voice of Mr. Johnson that reverberated throughout the country last year. But we have never been told whether the strange diction he employed was that of Mr. Michelson and his set of publicity experts, of Mr. Richberg and his corps of Harvard-trained experts in the new industrial economics, or the spontaneous lingo of the redoubtable Hugh himself. What he had accomplished within the



compass of one brief year would require several large volumes to record in detail, because hundreds of distinct industries would claim extensive chapters each for itself with thousands of people to be listed.

If for a time General Johnson ran away with the New Deal and blanketed the White House and the entire Administration as he took command, everyone must admit that no such picturesque figure had emerged in our recent annals. No movie star could compare with him, for after all he was engaged in what to him seemed grim and desperate realities. Hercules in his storied labors, or one of Plutarch's supermen cast in the mold of antique virtue and courage, seems more suitable for comparison when we think of the Hugh Johnson of 1933. What he undertook and what he actually achieved seem so utterly unlike anything that had ever been done by any American previous to last year, whether in war or in peace, that it cannot yet be fairly judged. It is just a hundred years since Andrew Jackson was dominating the United States, but he was reaching his political climax through some twenty stormy years after his military victory at New Orleans

had brought him world-wide acclaim. General Johnson's leap from obscurity to fame had been instantaneous, and the parallel for it may exist, but we have not yet discovered it.

**Success Comes
Through
Trial and Error**

it, on the lines proposed, than anyone else who was thought to be available. He has helped us to discover certain conditions that can and will be improved. He has worked upon some theories that are not in accord with the genius of the American people. Conditions are far too varied in this vast country for economic planning or regimentation at the behest of transient novices holding political office in Washington.

We have some millions of men and women experienced in the management of their own affairs. It may be possible to militarize them in war time, and it might even be possible to "codify" them for a few months in peace time, when they are at the bottom of a depression trough. But they will not long be told exactly how little or how much they may compete in business. Neither can they be compelled to observe certain levels of wage payment or certain curtailments of days and hours, when such demands contradict hard business facts while also violating accepted principles of freedom.

There were many things that it was fitting enough for the Government to attempt in the face of unusually bad times. But its zeal went beyond its knowledge, and it had to learn by experience that the country could best manage its own affairs if the Government would act as umpire and provide reasonable rules and regulations, while also curbing its own extravagances and setting the example of thrift and prudence.

It was commonly said that the monetary and economic conference at London in 1933 was a failure because it did not adopt solutions and restore prosperity to the sixty countries that were represented by their ablest statesmen. In our opinion it was a success, because it brought all the problems into the open, exposed their difficulties, and provided for further study and negotiation. It sent the delegates to their respective capitals after learning the wholesome lesson that their countries must do the best they could for themselves, without waiting for the millennium to arrive even in its early stages.

**"Back Talk"
Goes with
Convalescence**

SUCCESS OFTEN COMES through apparent failure. The New Deal experiments have been energetic and bold. They have been supported by freedom of opportunity

to make them work, and by such unlimited financial resources as could not be exemplified in all the history of the world. Nothing has stood in the way of the recovery measures except the unsoundness of their principles and their methods. Congress has not interfered, the courts have not yet intervened to any embarrassing extent, and the New Deal stands in the judgment of experienced onlookers—foreigners and Americans alike—as little short of a fiasco. Mr. Johnson, with the leading features of the recovery program under his sole

management, has not produced the anticipated results. Tested by its promises, the NRA has been a failure.

Organized labor, setting forth so blithely last year as the accredited partner of the Government, is in a sour and bitter mood. Unemployment is a persistent fact. When labor launches violent strikes, and when government orders industry to pay higher wages out of empty treasuries, the employer merely has to lock the factory door. This throws new groups of unemployed men upon the charity of the relief administration, since the war-chests of the trade unions are not being too readily emptied for the benefit of the unhappy strikers who had been bullied into the front-line trenches. If the well-salaried orators who assume the rôle of exclusive spokesmen for "labor" (and who have been denouncing the Government in one breath, attacking employers in the next, and chiding their rival labor magnates not less angrily) are disillusioned after less than a year and a half of a New Deal that was supposed to be under their especial auspices, what shall be said of the owners and managers of industrial and commercial enterprises?

Undoubtedly such groups as the United States Chamber of Commerce and the National Association of Manufacturers may be taken as fairly representative. They do not hesitate to criticize the Government's theories and practices, although they are less arrogant and menacing than the labor leaders. As for the foreigners, they are extremely patronizing and self-complacent. They show us how much better they have managed such things. It is too evident that it cheers them up quite a little to see Uncle Sam—once so affluent, and so careless about letting them pick his pockets—now scolding the banks while he borrows the depositors' money. They mock him as fearing to relax his tiresome rôle of Santa Claus-out-of-season, lest his well-fed children should start bread riots.

**Still We Have
the Era of
Good Feeling**

CERTAINLY THE MORE thoughtful officials at Washington may properly say that criticism from this time forth ought to be constructive rather than petulant or jeering. Having said this, however, they would do well to analyze conditions and to listen patiently when admonitions come from those who criticize with knowledge and experience as a basis. It is not a good sign when officials who are supposed to be working night and day to serve the country, and who are spending public money not by the millions but by the billions, are pausing to write books or magazine articles to refute and confound any and all who are not convinced of their wisdom. This flood of protests emanating from Washington's intellectuals is a sign of irritated nerves and weakening morale. It lacks Cromwellian vigor and assurance; and the shadow writers rely too much upon mere cleverness in retort.

Only a few days hence, however, we are having an election. The Democratic leaders say that it will amount to a referendum on the New Deal up-to-date. They predict that the critics and the fault-finders, as represented chiefly by Republican candidates for the Senate and the House of Representatives, will be snowed under. The voice of the people will support the President. But Mr. Roosevelt is not a Hitler or a Mussolini, and the critics will go on speaking their minds, in the President's best interest. We believe that



NRA AS REORGANIZED. Five of the men are members of the administrative board which succeeds the one-man rule of General Johnson. The remaining two are aides. From left to right are: Prof. Walton H. Hamilton of Yale; Leon Henderson; Blackwell Smith; S. Clay Williams, chairman of the new board and formerly a leader in the cigarette industry; Arthur B. Whiteside, president of Dun & Bradstreet; Prof. Leon C. Marshall of Johns Hopkins; and Sidney Hillman, labor leader. Mr. Henderson and Mr. Smith are not members of the board. This is the administrative branch of NRA, as distinct from the policy branch made up of executives of the government and presided over by Donald Richberg.

he will be wise enough to accept the new mandate not as endorsing everything thus far done, but rather as expressing confidence that he will study his charts, trim his sails, and steer the ship of state with due regard to weather signs and all other pertinent facts.

The labor vote will not abandon the Administration. The Veterans will prefer to work with it rather than against it. The army of government employees will certainly rally about it. Over and above all these three definite groups, responding to their lobby leaders, is the largest group of all—namely the recipients of federal relief. What Congressman in any state could possibly be elected this year if marked for defeat by the direct beneficiaries of the federal treasury?

When popular elections in a great democracy like ours are carried by the ballots of those who draw pay as government employees, receive government pensions, or live in fairly comfortable idleness because the Government pays them wages for failing to support themselves, we should at least be privileged to discuss the facts in all their bearings. Let no one think that we are facing a breakdown. In England, until recently, those who received public aid were not permitted to vote. We will not disfranchise the unemployed, but we will perchance give business an opportunity to employ the larger half of them, and we will teach the smaller half how to employ themselves. We will not disfranchise the veterans who draw pensions, but we will expect them of their own accord to get the pension question out of politics, and to make the pension lists a true roll of honor. As for government employees, we may doubt the propriety of their taking active part in elections.

When we affirm that many experienced people regard definite policies as a failure, we are by no means ready to admit that it was a mistake to try them out. General Johnson's NRA conception was that of a powerful mentality. His executive talents, as demonstrated by actual achievements on short notice, have shown what a plain American citizen can do when asked to take public responsibility. He goes out of office as one of the most remarkable organizers and administrators of this industrial age. He is not an old man, and he has every prospect of a distinguished future. Satisfactory

results in terms of so-called "Recovery" have not yet been produced, because the NRA was compelled to do its practical work while it was also trying to demonstrate certain unsound theories.

The New Dealers helped to differentiate industries like oil and coal and to bring them under necessary government protection. The championship of the Government for collective bargaining, as per Section 7A, seems to have been *ex post facto*. The Government's position on that question has been so futile that its failure constitutes a valuable form of success. Scientific workers try many laboratory experiments so thoroughly that they abandon them with no lingering doubts, and thus clear the way for something better. The failure of the textile strike helped the Government to learn its lesson. Mr. Lawrence is justified in his review (see page 25) of Section 7A. He presents certain questions awaiting answer.

The American Average of Happiness

THE PEOPLE of the United States will not be speeded along the path of social progress by artificial efforts to array one class against another. We have never had classes, and the conceptions of the A. F. of L are European rather than American. Most workers in this country are employers already, directly or indirectly. Through their savings-bank deposits and their insurance policies, they are concerned in the solvency and prosperity of business. All employers are workers, and the American plan is that of intelligent coöperation.

The troublesome aspects of our so-called labor problem have resulted from ferment among recent immigrant elements in cities and industrial centers. Until recently we allowed them to come here too rapidly for our own best welfare. They are prospering mightily—partly to their credit, but much more to the credit of our schools and our generous institutions. There are some social problems that must be dealt with by the people themselves. The government at Washington, in trying to help, at times becomes a handicap, if not a nuisance.

On October 12, New York and some other states celebrated Columbus by taking a day off to rejoice in

the fact that our hemisphere was discovered in the year 1492. After election day, which most citizens will use for recreation, comes Thanksgiving, as usual set for the fourth Thursday of November. On all these days schools are closed, and millions of children are encouraged to enjoy themselves. If child labor in bad form still exists, by all means let it be abolished. But certainly most American children are not under the cruel lash of task-masters. Some work along with their play helps to make them fit for living as well-developed American men and women.

In this year of continued depression, bringing to most people somewhat heavier burdens and keener anxieties than usual, we may well ask whether despair, rather than hope, is the prevailing mood. Our own impression is that the average of happiness is fairly high, and that the masses are not sinking below the line of hopeless poverty. Upon the whole, therefore, we have almost everything to be thankful for in the United States; and if we proceed in the right spirit we can conquer those aspects of the great depression that are still keeping the average of family prosperity and social well-being below what we must regard as the normal standard of living for our period.

It is to the President's credit that he has accomplished so many things that have been helpful. Our greatest national resource is the land. Most of it was public domain less than a hundred years ago. It was distributed under Homestead laws and other measures, with too little restriction and with too little forethought as regards its relation to the general welfare. President Roosevelt cannot, within a few months, completely reform the principles and practices of land utilization. But he has given a mighty impetus to movements some of which were initiated by President Theodore Roosevelt more than thirty years ago.

Economists led by Dr. Richard T. Ely, head of the Institute for Research in Land Economics, have long urged the adoption of policies that the President is now putting into effect. We are publishing in this number another of Mr. Pack's useful articles on American forestry. As expert and civic apostle, Mr. Pack has given years of effort and great sums of money to this cause of reclaiming our land and reestablishing our forests. Along with relief for the farmers of the western drought areas, plans are on foot for the repurchase of lands that the government should never have offered to homesteaders. In short, there are many projects in the list of things approved by the President that are not only feasible but highly commendable.

The Foreigners Have Their Troubles

THE ASSASSINATION of King Alexander of Jugoslavia, the revolutionary upheaval in Spain, the doctrines and methods of the German dictatorship, and similar situations cannot be regarded as immediately promotive of international tranquillity. Disarmament is not in sight. Our special Ambassador, Mr. Norman Davis, has gone to Europe once more; this time to take part in the preliminaries for the naval conference of 1935. Peace advocates who suppose that disarmament is to come by way of diplomatic haggling over naval ratios may be disappointed. But again we hold to the paradox that success may be wrapped in an envelope labeled failure.

It does no harm to talk frankly about these things. Japan and the United States need one another, and

should be firm friends. Let them unite their navies for peace in the Pacific, and both save money. Nothing detrimental would happen to the British Empire if the royal navy were reduced by 50 per cent, on firm agreements among the naval powers for the outlawry of war at sea.

Meanwhile the American navy should be upheld, not to fight but to symbolize peace and the rights of neutrals. The President has done well to turn the cold shoulder to all requests for suppression of the Senate investigation of the international munitions business. It is best to have the facts brought out into the open. Nothing would be gained by blaming firms or individuals. We want the facts in order to apply the proper remedies. Senator Nye and his associates are doing a good piece of work, and the large American munition-makers have only to be frank and ask a square deal.

Reminding Us of Upheavals In Other Days

MACAULAY was finishing the opening volumes of his history of England at a moment when Europe was in wild turmoil, with the revolutionary movements of 1848 at their height. He was eulogizing the constitutional progress in England that had followed the downfall of the Stuarts and the rise first of Cromwell, and then of William of Orange as a ruler subject to constitutional restraints. Turning from the past, he commented upon the situation of the passing hour:

"All around us, the world is convulsed by the agonies of great nations. Governments which lately seemed likely to stand during ages have been on a sudden shaken and overthrown. The proudest capitals of Western Europe have streamed with civil blood. All evil passions, the thirst of gain and the thirst of vengeance, the antipathy of class to class, the antipathy of race to race, have broken loose from the control of divine and human laws. Fear and anxiety have clouded the faces and depressed the hearts of millions.

"Trade has been suspended and industry paralyzed. The rich have become poor; and the poor have become poorer. Doctrines hostile to all sciences, to all arts, to all industry, to all domestic charities, doctrines which if carried into effect would, in thirty years, undo all that thirty centuries have done for mankind and would make the fairest provinces of France and Germany as savage as Congo or Patagonia, have been avowed from the tribune and defended by the sword."

After some further sentences of impressive rhetoric in this same manner, Macaulay turns thankfully to the contrast afforded by conditions then prevailing in England. Let us quote a sentence or two:

"And, if it be asked what has made us to differ from others, the answer is that we never lost what others are wildly and blindly seeking to regain. It is because we had a preserving revolution in the seventeenth century that we have not had a destroying revolution in the nineteenth. It is because we had freedom in the midst of servitude that we have order in the midst of anarchy."

Even as we might praise George Washington and other worthies who have their place in the story of our national life and constitutional order, so Macaulay ends with recognition of his British heroes. We may be thankful that there is so much of social and political harmony around us in our daily lives as we find in the Thanksgiving month of 1934.

The Dance of the Question Marks



UNCERTAINTY as to the definite future of New Deal policies, more than disapproval, blocks the way to business recovery.

By

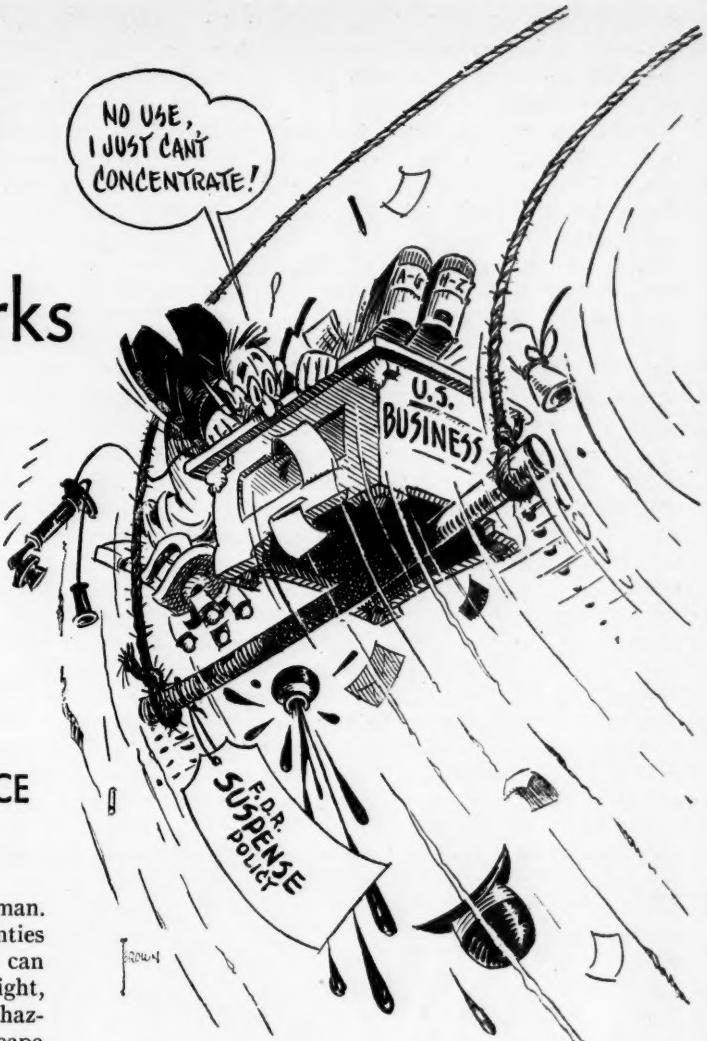
JOSEPH STAGG LAWRENCE

UNEASY RESTS THE HEAD of the business man. His waking hours encounter uncertainties which no amount of reasoning and information can resolve. They pursue him into the hours of the night, platoons of question marks, serried lines of vague hazards, inchoate doubts which elude his fire and escape his clutches.

A chorus appears upon a platform of opaque shadows. They move in tantalizing confusion. Some wear the Blue Eagle, others dollar signs, still others the cryptic symbol 7A. He reaches out to touch them and the phantasy dissolves. Another scene takes form. Busy toilers are garnering a crop. They bear the sheaves to a pit and drop them. He gazes over the edge. It is bottomless. An inspector drives up to a silent barnyard. The man looks at the vacant hog pens with satisfaction and gives the farmer a government check. A crowd of men are eagerly scanning a bulletin board covered with little cards. Only the words Help Wanted can be seen. Suddenly the same official appears. He hands each man an envelope. The crowd melts. The cards on the bulletin board become yellow and weather-beaten.

A woman is selling fruit and vegetables from a cart. She is doing a thriving business. The customers pay her in paper bills of huge denominations. She has a relay of messenger boys. Every fifteen minutes she hands an enormous stack of paper currency to a boy who rushes off. The observer asks one of the buyers what it all means, pointing to a boy who is disappearing around the corner. The man chuckles and whispers "velocity of circulation". He is so tickled by his own humor that he forgets the questioner.

The images vanish, and the business man is in his



By Brown, in the New York Herald Tribune ©
THE MAN ON THE FLYING TRAPEZE

office. A commotion. His superintendent rushes in. A man is haranguing a crowd. He looks closely at the individual faces. They are his employees. As he works his way through the crowd someone cries "There he is!" Rough hands seize him. A shot—a crash. The man wakes up on the floor. He remembers his wife's warning that fish and ice cream do not agree. As he returns to bed he reflects that there was more to this than fish and cream. It was a New Deal phantasmagoria. The symbolic dream figures had not been playing pranks upon his submerged consciousness. In truth they represented faithfully the baffling conflicts of the New Deal.

More Than a Catch-Word

Financial commentators and authentic spokesmen of business have referred to uncertainty as the greatest obstacle in the path of recovery. Like many other phrases such as "sound money", "a balanced budget", "increased buying power", it has become an arbitrary axiom and has lost its inherent significance. To the small minority who do not accept premises which have no other apparent validity than frequent repetition, the term has become suspect. It seems like a verbal

shield behind which business conceals its prejudice against progress. Thus excessive wear distorts and undermines the broad truth upon which the argument of uncertainty rests.

The truth may be restored through a threefold approach. First, it is necessary to distinguish uncertainty *per se* from objections to government policies. Secondly, the rôle of uncertainty in recovery and economic progress should be defined more clearly. Finally, it is necessary to break down the abstraction "uncertainty" and reveal its component, concrete parts in their present setting.

Uncertainty Not the Same as Disapproval

Uncertainty should not be confused with disapproval of the New Deal in whole or in part. The business executive may be completely in sympathy with the objectives of the New Deal, provided they are defined with precision and adhered to consistently by the Government. A textile mill owner, for example, may believe that the most satisfactory relations with his workers in the long run will result from a recognition of an independent union, the establishment of the closed shop, the use of the check-off, and promotion by seniority.

Assuming that the Government adopts this as its fixed policy, and is sustained by the Supreme Court, it is possible for business men to adapt themselves and even prosper. The railroads have operated under these conditions for years and survived. If the carriers have

fallen upon hard times their distress is due in large part to other factors. Whether the maximum well-being of the roads is to be found under conditions of union labor is a distinct question. The fact remains that adjustment to union labor domination has been possible, that the carriers have survived, that they attained a gratifying measure of prosperity in the decade of the twenties.

The great majority of rail executives resent what they consider the dictation of organized labor. They believe that the distress of the roads would be materially alleviated if they were free to effect certain changes which union regulations prevent. The point is that adjustment and progress are both possible even under conditions that most executives consider distinctly inimical to corporate welfare, provided only that the conditions are reasonably well defined and do not change every other Sunday.

What Is Collective Bargaining?

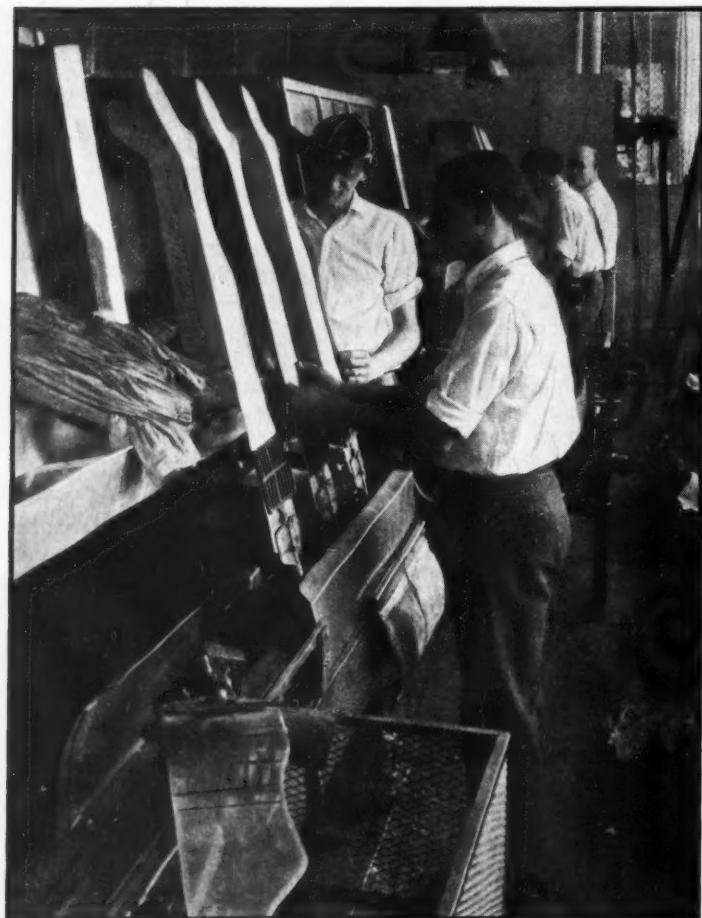
Return now to the textile manufacturer. Under Section 7A his workers have the right to bargain collectively. He is prepared to recognize the A. F. of L. local, to grant it the exclusive right of speaking for his workers, and to deal with men who are professional representatives. However, this is only one form of collective bargaining. True, the A. F. of L. reported amazing progress at its October meeting with a total membership of 2,824,689, an increase of 481,215 during the year. On the other hand, the worker may avail himself of his rights under 7A through some form of employee representation—i. e., a company union.

In May, 1934, the National Industrial Conference Board made a survey of 3,314 companies employing 2,585,740 workers. This showed that 49.6 per cent of all the workers belonged to company unions, 10.4 per cent to labor unions, while 40.4 per cent continued to deal individually with their employers. In 430 of the companies the employees used two or all three of these methods. That is to say, some belonged to a labor union, some to a company union, while others preferred to bargain individually, if at all.

No Compromise on Unionization

Since the adoption of the codes there has been a race between labor organizers and personnel departments to secure the adherence of the worker to one or the other form of collective bargaining. It is difficult for a labor organization to survive in a plant only partly organized or in competition with a company union. Labor leaders must live. Funds are necessary for "education", for strikes, and to expand the dominion of organization. A common union fee is \$15 a year. If a worker can secure the same wages, the same opportunities for employment, and the same promotion within or without a union he is less likely to pay his fees than if his job and promotion depend upon membership. Hence the inexorable logic of unionization calls for the closed shop.

On the other hand, management resents



By A. E. Gaynor, from R. I. Nesmith & Associates
BOARDING, OR SHAPING IN A SILK HOSIERY MILL



By A. E. Gaynor, from R. I. Nesmith & Associates

SILK THROWING OR SPINNING IN A MODERN AMERICAN FACTORY

Silk manufacturers, largely congregated in Northern New Jersey, plan to move their machinery to other locations. This decentralization of the industry will make the maintenance of union control much more difficult.

the limitations upon its freedom which the closed shop imposes. Thus there exists a conflict of interest so sharp and irreconcilable that no compromise is possible. In spite of this, the fact remains that a solution in favor of labor or management is preferable to the uncertainty which now prevails. This uncertainty as a business factor should not be confused with opposition to labor organization.

A Silk Manufacturer Meets 7A

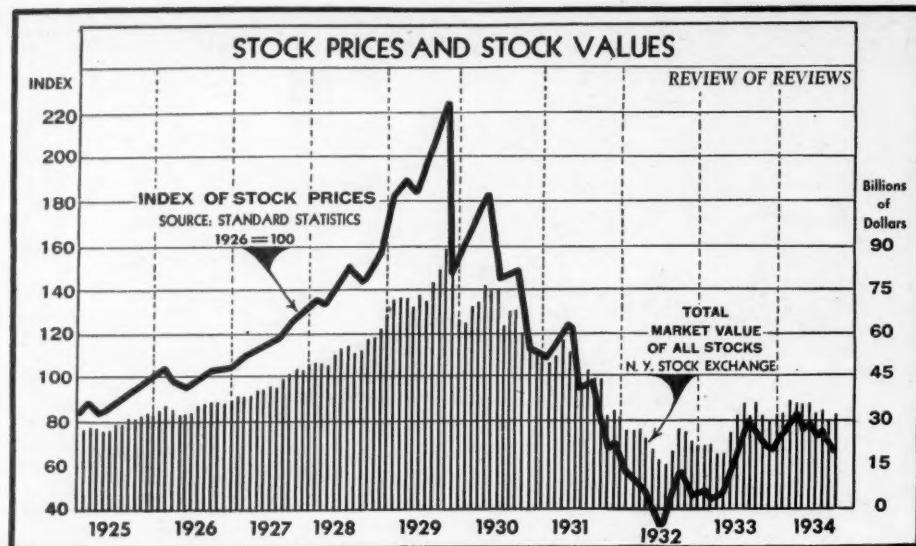
The power to resolve this doubt has been delegated to the administrative branch of the Government. Here is the importance of clarification. Let us describe our textile manufacturer in greater detail: He is a producer of silk ribbons and his plant is located in Paterson, N. J. Together with other members of the Silk Manufacturers' Association, he had signed an agreement with the union under which it agreed to remain at work during the life of the agreement unless a general strike occurred involving at least 40 per cent of all the looms in the industry.

The American Federation of Silk Workers did not hesitate to violate this contract, and joined the general strike of textile workers in September. It had no specific grievances against the employers, who had made substantial concessions in payment for what they hoped

would be industrial peace. The voluble secretary of the silk workers alleged that an emergency existed which did not permit an accurate count of idle looms, that the general interests of labor demanded sympathetic immediate action, and finally that Francis J. Gorman, chairman of the textile strike committee, had sent the silk union leader a telegram assuring him that 50 per cent of the silk workers in the industry were on strike. Hence the agreement with the employers was null, void, irrelevant, and otherwise out of order.

Decentralization of Industry

The associates of our silk manufacturer are up in arms. Some of them have already moved machinery to other locations. Many of the others plan to move. They are searching for communities where the authorities are inclined to protect property. The action will decentralize the silk industry and make the maintenance of union control more difficult. Here is the problem of our ribbon manufacturer: If he remains and continues to fulfill his part of the union agreement he will subject himself to maximum labor costs. His competitors who move away from Paterson, who will fight collective bargaining via the American Federation of Silk Workers, whose chances of successful resistance to union domination are now distinctly improved, will



THE FEELING OF WEALTH

This chart shows two statistical series that have a vital bearing upon purchasing power of the country. One represents stock prices, and the other the aggregate value of all stocks listed on the New York Stock Exchange. As stock prices rise people experience a feeling of greater wealth and are more inclined to spend than when stocks are standing still or declining. This factor is purely psychological. However, as the value of stocks rise, potential and at times realized income increases. The sale of a share of stock at a profit is just as much a source of buying power as an increase in farm production or a rise in wages. Even where the gain is not realized the greater loan value of the stock may have the same effect.

possess a cost advantage which it will be difficult for him to meet.

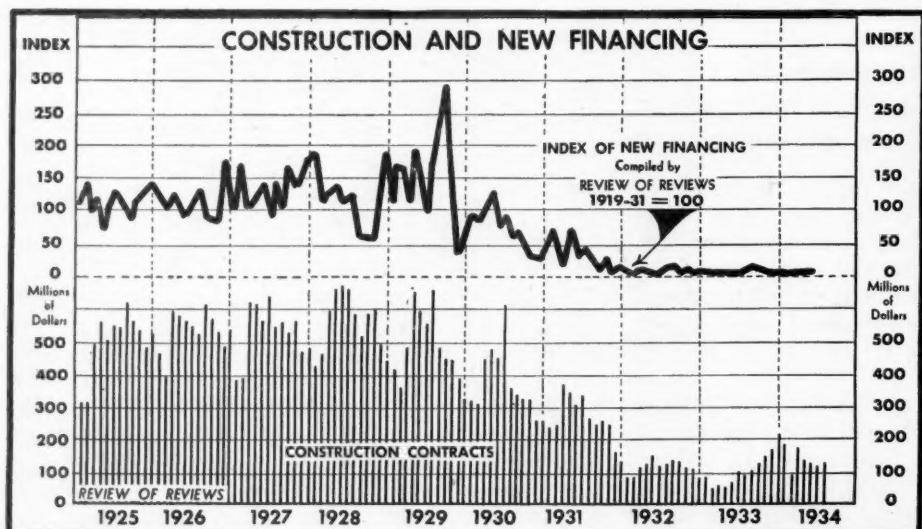
If the Government should eventually graduate from its present uncertain labor policy and decide that the A. F. of S. W. is the proper and exclusive vehicle for collective bargaining, the removal of his competitors from Paterson will avail them little. On the other hand, if the Government's labor policy is no more certain than tomorrow's weather, and the form of collective bargaining becomes an issue of strength between the employers and the labor union, it will be necessary for him to act. Shall he make common cause with other employers and fight the union? Shall he join the trek to other communities? As far as he is concerned, this is not a matter of approving or disapproving collective bargaining. Serious and possibly fatal competitive handicaps are involved.

Where Strikes Incubate

To uncertainty must be attributed another obnoxious weed of the New Deal period—the strike. Labor wrote Section 7A into the National Industrial Recovery Act. It was worded in such a way that labor organizers

would be free to enter plants, harangue the workers, make absurdly mendacious representations regarding the wishes of the President and the designation of the unions as the legal and exclusive bargaining agencies of the worker. The organizer was free to use any form of intimidation upon the worker who failed to succumb to his eloquence. Only the employer was barred from exercising an influence which might affect the choice of the worker.

Labor wrote this part of the law and considers it *carte blanche* authority to organize all industry. Stubborn employers who resist the beneficent progress of unionization are charged by labor leaders with a defiance of the Government. It is this conflict over the interpretation of 7A, by organized labor and the employer, which has produced the majority of our strikes. Whether labor is correct in its interpretation, whether living standards in the long run will profit or suffer from universal unionization, whether the constructive faculties of management will be impaired irreparably by union restraints, is quite beside the question. The inability of labor and management to define conclusively the meaning of this vexatious clause is respon-

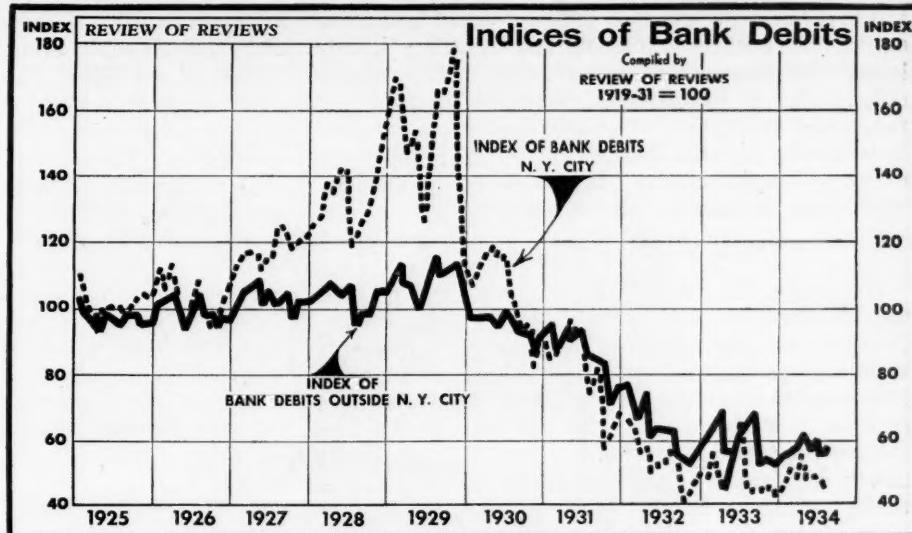


NEW FINANCING

This chart shows the course of new financing and construction contracts. Both have a definite bearing upon business confidence. When promoters feel that reasonable prospects exist for profit making, they will embark upon new ventures. Usually such a step must be preceded by financing. Consequently an increase in new financing signifies confidence on the part of promoters, on the part of the bankers who aid in the financing, and on the part of the individuals and institutions which buy the securities. A construction contract, in a similar fashion, is a token of confidence in the future. A building can be used only after it is completed, and to undertake its risks the man who builds must have confidence in that future.

BUSINESS ACTIVITY

Every time a check is presented at a bank and charged against the account of the man who has drawn it, the transaction from the accounting standpoint is called a debit. The total of the debits reported weekly by Federal Reserve member banks in New York City and outside New York City represents accurately the total of check transactions throughout the country. The debits outside New York City are an excellent index of business activity beyond the financial and speculative center of New York. The latter in turn measures the pace of financial activity. Where a man is uncertain of the future he will postpone the payment of bills and check against his account only when absolutely necessary. This hoarding of bank credit tends to reduce the rate at which dollars turn over. In consequence the velocity of deposits rises in periods of confidence and declines in periods of depression. This chart shows how the turn-over of the depositor's dollar has fluctuated in New York City as well as outside the metropolis.



sible for widespread, unwholesome, and extremely costly disturbance, and continuance of business uncertainty.

The Law Should Be Known

One of the virtues of the English common law is that its principles are reasonably well known. When Henry II reorganized the circuit courts a record was kept of the facts, issues, and decisions in each case. These decisions were carefully preserved, that they might enlighten future judges and establish a record of consistent precedents. It was considered important that the law be ascertainable by disputants and judges. Inherent justice was of less concern than the clarity and certainty of the law. Men must know what their risks and penalties are. The game cannot be played if the rules are likely to be changed by the whim of an official during the course of the game—or by the pressure of a contending party. This was appreciated rather thoroughly in primitive England eight centuries ago. It has been the boast of English history that Anglo-Saxon government is a government of known laws and not capricious men.

Consider the position of the present Administration

on 7A, which is but one of many major matters that affect the livelihood of millions of its citizens and the welfare of hundreds of thousands of corporate units. A part of this clause declares that "employees shall have the right to organize and bargain collectively through representatives of their own choosing".

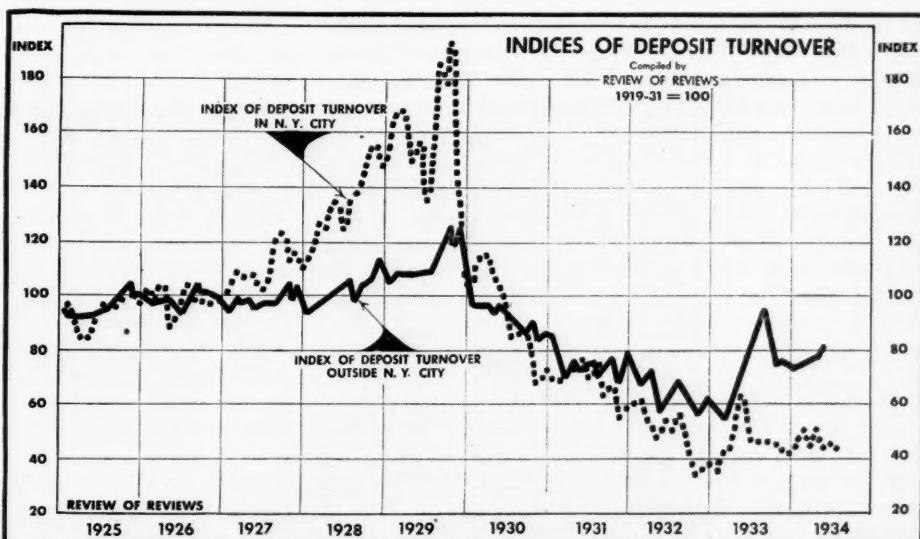
The "Plain Meaning"

On August 23, 1933, Johnson and Richberg, seeking for this clause a "plain meaning", held that "employees can choose any one they desire to represent them, or they can choose to represent themselves. Employers likewise can make collective bargains with organized employees, or individual agreements with those who choose to act individually". In connection with the settlement of a coal mine dispute, the White House on October 30, 1933, issued a statement declaring that: "The representatives chosen by a majority will be given an immediate conference and separate conferences will be held with representatives of a substantial minority."

On February 1 the President issued an executive order which seemed to mean that representatives chosen by the majority shall have exclusive power to negotiate,

DEPOSIT CIRCULATION

The rate at which the average depositor draws against his account and then replenishes that account is an excellent measure of general confidence and business activity. Where a man is uncertain of the future he will postpone the payment of bills and check against his account only when absolutely necessary. This hoarding of bank credit tends to reduce the rate at which dollars turn over. In consequence the velocity of deposits rises in periods of confidence and declines in periods of depression. This chart shows how the turn-over of the depositor's dollar has fluctuated in New York City as well as outside the metropolis.



and that the settlement thus achieved would be binding on all the workers. Johnson and Richberg hastily leaped into print with an interpretation of the executive order. This distinguished between the practical and theoretical application of proportional representation. It seemed to say that theoretically all the groups were entitled to representation but practically the majority would have to speak for all the workers.

Now You See It and . . .

During the first week of March, in the Denver Tramway Corporation case, the President disregarded his February 1st interpretation and stated: "If there be more than one group, each bargaining committee shall have total membership pro rata to the number of men each member represents." This view of collective bargaining prevailed at the White House throughout the month of March. It was reaffirmed unequivocally in the settlement of the automobile strike.

On August 22 the National Labor Relations Board ruled that the United Textile Workers "has been duly selected to represent the company's workers for purposes of collective bargaining for any and all departments" of the Tubize-Chatillon Rayon Company at Hopewell, Virginia. Shortly thereafter (on August 30) the same board rendered its now famous Houde Engineering Company decision, in which it affirmed the exclusive right of the majority representatives to speak for all the workers. When the decision was called to the attention of the President, and its inconsistency with his own automobile and Denver Tramway decisions noted, he said that sometimes majority representation would satisfy the meaning of "collective bargaining" in 7A, whereas on other occasions only proportional representation would do. On October 4, Donald Richberg declared that workers have the right to bargain individually with their employers, that this position is consistent with the Houde decision and that the latter in turn is consistent with the interpretation of Section 7A made in August, 1933, by Johnson and himself!

Zero Minus a Question Mark

The Houde Engineering Company in the meantime has defied the ruling of the National Labor Relations Board. In this it has been supported by the National Association of Manufacturers, which has advised all employers to disregard the N.L.R.B. collective-bargaining rule. The N.L.R.B. has certified the disobedience of the engineering firm to NRA. The latter solemnly withdrew the Blue Eagle, which the firm maintained it never had. In addition the NRA asked the Department of Justice to do something about the matter. Whereupon the Department of Justice went into a profound huddle with itself. Six weeks have elapsed and the D. of J. is still deep in its deliberations. Will some one rise and define collective bargaining, and then tell more than two million despairing business men what happens if they do not recognize it?

7A Is Only a Sample

This situation is distressing and by itself would offer much reason for the reluctance of business to assume the normal risks that attend enterprise. Unfortunately the obscurity of 7A is multiplied in other fields where it affects business welfare just as vitally as it does in industrial relations. Our ribbon manufacturer, for ex-

ample, uses silk. It constitutes his principal material cost. The Administration, in complying with the provisions of the Silver Purchase Act, is forcing up the value of silver in world markets. This means that the price of silk in terms of silver, other things being equal, will decline. The country is as clear about the equivalent of the dollar as it is about the meaning of collective bargaining.

The rise in the value of silver might indicate a drop in the price of silk in terms of American money. On the other hand, a further reduction in the mythical gold content of the dollar would force the price of silk up. The market for the regal fibre is sufficiently volatile without these gratuitous and wholly unpredictable monetary aids. The uncertainty caused by monetary experimentation by itself is a vast force tending to stay the energies and ventures of business.

The Will of a Bureaucrat Is Law

The same may be said of the great powers delegated by Congress to the executive branch of the Government. Wallace plays with sugar quotas. The Hawaiian planters secure a court order asking the Secretary of Agriculture to explain how he arrived at their quota. Wallace replies that it would be contrary to public policy to reveal his calculations. He tells every beet sugar mill how much it shall grind, every county how much cotton it shall raise. Processing taxes and parity prices fall entirely within his discretion.

Law has become the will of bureau chiefs, cabinet members, and presidential advisers. The land has a government of men who start each day by erasing the record. No one can tell from one day to the next what the rules of the game will be. Uncertainty is more than a shibboleth of Tories. It is an imponderable obstacle to recovery.

The Business Man's Position

Enlightened business men are not without sympathy for the position of the President. They realize that he is under tremendous pressure from radical groups, and that it is necessary for him to act in order to survive. However, they do feel that the concessions which must be made to the distressed and the flannel-throated liberals could be fixed.

The sentiments of these business men could be expressed somewhat as follows:

"Mr. President, you feel that the purchasing power of the dollar must be reduced, that relief must be extended to those without means, that the public debt must be increased, that the budget cannot at present be balanced, that labor must have greater power in dealing with employers. We may not individually or collectively agree that these concessions are necessary. That is not the point. We must know what the bill will be, how the rules will be changed. Unless this is made clear and certain we cannot go ahead. We are as eager to start as you are to see us move. If you think the dollar should be a fifty-cent dollar, that an additional ten billion must be spent for relief, that the public debt must be expanded another fifteen billion, that the budget cannot be balanced until 1937, that labor must have united representation on an industry-wide basis, say so. We may not like it, but at least we will know the conditions under which we shall operate. And that, just now, is the most vital requirement of recovery."

A CONCRETE HOME
Omaha's Junior Chamber of Commerce built this model modern concrete house costing \$8000. The inside walls are of portland cement stucco.

Courtesy
Portland Cement Assn.



Uncle Sam Aids the Home Owner*

By L. ROHE WALTER

TO HAVE SOLVED the problem as regards more livable homes, homes that can be built without worry, and homes that can be operated more economically, is not sufficient to put people into such homes. There still remains the all-important problem of money—cheap enough money with which to buy reasonably priced land and materials and labor.

This raises the mortgage question, the bugaboo that has exerted an increasingly vicious stranglehold on building during these past few years. In the eight years from 1921 to 1929 the home mortgage debt in this country increased threefold, from seven to twenty-one billions of dollars. Practically half of this staggering sum is in default today. Property has been dumped on the market in such wholesale fashion that legitimate mortgage financing has almost ceased; in fact, credit has been seeking to leave, rather than to enter, the home mortgage field. The \$300,000,000 present annual total spent for both new construction and home modernization and repair is but one-ninth of the boom time

\$2,750,000,000 figure. In 1933 there were less than 50,000 new homes built; to date, in 1934, there have been even less than last year.

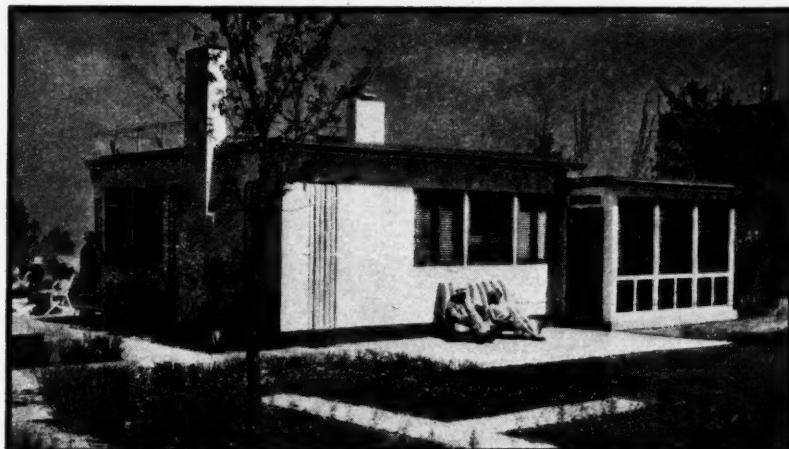
Two basic causes have produced this situation. The first was the use, by most lending agencies, of ill-advised financing methods that frequently caused the cost of money, as expressed in interest rates, to rise to 20 per cent. The second cause, equally important, was that people generally regarded mortgages as permanently renewable loans; they never planned to repay the principal. Mortgages were made to be renewed.

Overnight, on June 27th, a stroke of President Roosevelt's pen changed this picture completely. The solution is the National Housing Act with its provision for insured mortgages, and its guaranteed loans for repair, rehabilitation, and modernization.

More Liberal Financing

Let us assume, for purposes of clarity, that John Brown owns a building lot appraised at \$2,000 and

AN all-steel, frameless house exhibited by General Houses, Inc., a "Century of Progress," Chicago. The steel chassis is set up, pressed steel panels bolted on, and paint applied. Interior insulating materials are decorated to suit the taste of the individual purchaser.



* THIS article is the concluding portion of a discussion by Mr. Walter. The first installment, in our October issue, dealt especially with new types of homes—new in design and in materials.

wishes to build on it a home costing \$6,000—a total investment of \$8,000. Under the provisions of the National Housing Act he may be able to borrow up to 80 per cent of the total appraised value, or \$6,400. In this instance, since he already owns the plot and the contemplated house will cost only \$6,000, he is in a position to proceed without further cash on his part. He need pay no costly finance fees, nor secure a second mortgage at high rates, to finance the building of his home.

Frank White may also wish to build a \$6,000 home. But he is not so fortunate as to own a building plot. He selects one costing \$2,000. His total contemplated investment is therefore \$8,000. Under the National Housing Act he may borrow \$6,400, representing 80 per cent of the total appraised value of the land and the structure. So, starting from scratch, without owning any land, Frank White is confronted with two choices: he must raise \$1,600 cash himself or acquire and gradually pay for his land site before starting to build.

Where will the John Browns and the Frank Whites go for their new construction mortgages? To their local financial institutions, or building and loan associations, which will be willing to lend money now to accredited borrowers of good character and current earning power without further collateral security, even though they have not been anxious to do so for the past

several years. Under the National Housing Act the Government will insure the banks and building loan associations against loss on all properly executed mortgages.

The mortgages which John Brown and Frank White secure under the National Housing Act will be long term ones, of 15 to 20 years. This will eliminate customary short-term mortgages that "come due" every few years and call for "renewal fees" on every due date. Neither John Brown or Frank White can secure mortgages insured by the Government for more than \$16,000. In recent years too many persons invited trouble by buying too expensive homes, and so burdening themselves with debt. The average family, economists agree, should not invest in a home more than three or four times its annual normal income. Furthermore, these new-style mortgages of John Brown's and Frank White's must be paid off in regular periodic payments, so that in less than twenty years they will own their homes free and clear of debt.

Loans to Keep Houses Young!

Sam Smith's case is somewhat different from John Brown's or Frank White's. Sam is the owner of a one-family house badly in need of repair. The rehabilitation and modernization provisions of the National Housing Act provide a method whereby his improvements may be financed on a rational and liberal basis.

Sam Smith may borrow by promissory note from \$100 to \$2,000, largely dependent upon his earning power and character, repayable in from one to three years, or possibly five years, in the discretion of the lending institution. He must not be in arrears on any mortgage payment, assessments, interest, or taxes on his home. Even here the lending institution can soften the rigidity of the requirements if satisfied with the loan in other respects. His regular income must be equal to five times the annual payments due on the amount borrowed, and he must have a good credit record in his community. Co-makers (except man and wife), endorsers, and collateral are not needed.

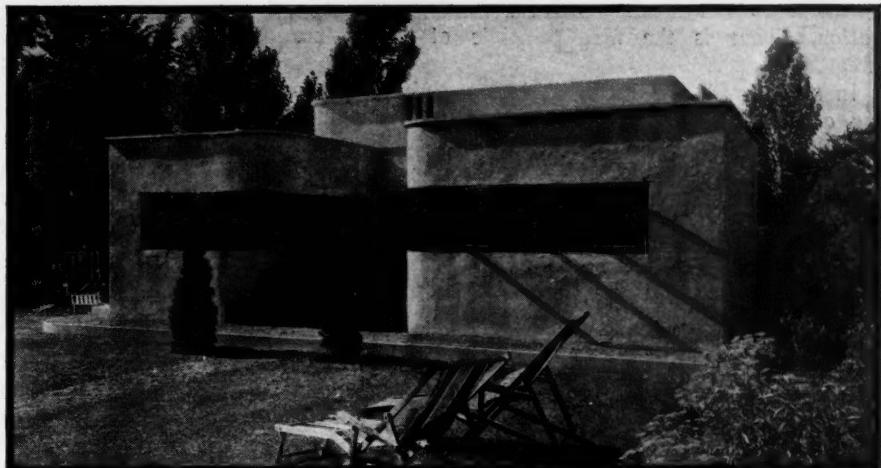
Sam Smith can use this money to install a new heating plant, an air-conditioning unit, new plumbing, electric light wiring, even a burglar alarm. He can insulate the house or sound-proof it. A new garage, porch, playroom, barn, tool-shed, sidewalks, concrete drive, fences, or well can be added to the property. The funds may be used for repainting, repairing



THIS OLD HOUSE at Batavia, Ohio, was completely modernized, as pictured below, at a cost of \$4000. The new features added include a heating system, plumbing, two baths, and a kitchen.

Richard B. Grant, Architect
Courtesy: *The Architectural Forum*

ECONOMY need not omit artistry or comfort. This \$1300 home built by Franklin Brill at Buffalo, N. Y., for two people, has no cellar, dining room, furnace, baseboards, flooring, tiling, eave-troughs, closet doors, or bedsteads, yet boasts such luxurious features as a wood-burning fireplace, mechanical refrigeration, built-in radio, built-in furniture, shower, carpeted floors, and a roof solarium. The walls are of pre-cast masonry, their interior surfaces of pre-finished processed board. The living room of many uses is shown at the right, below.



Photographs by Appleton

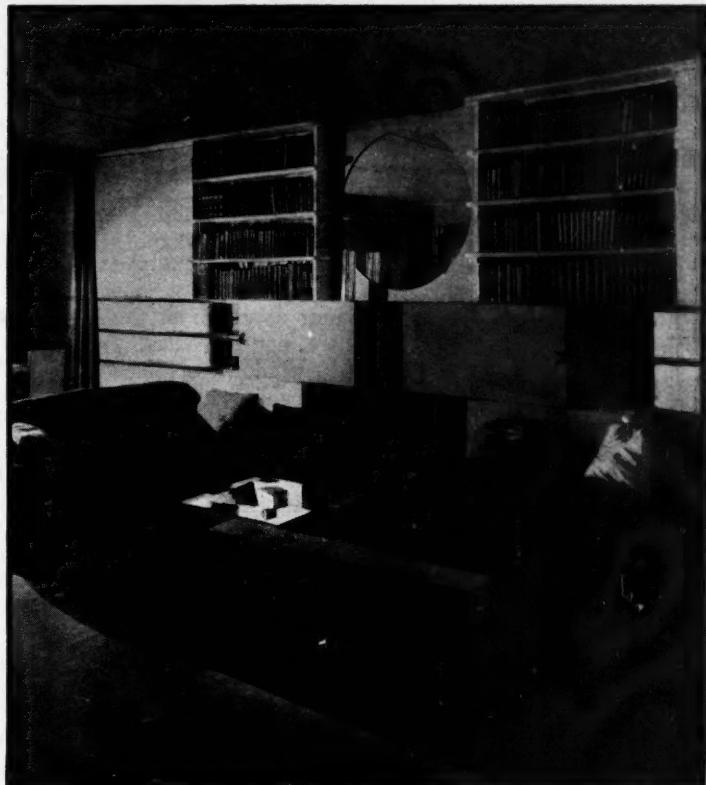
or reroofing, or for fixing up yards or grounds.

The list includes a thousand and one other items of repair and improvement that will add to the livability of Sam Smith's house. "No strictly detachable and movable equipment or apparatus" originally came under the provisions of the Act. Important changes announced September 30, however, give lending institutions a wider latitude in determining what is eligible and considerably increase the range of equipment which may be financed by modernization loans.

Sam Smith is not limited to borrowing for repairs or improvements on his own home. He can borrow a like amount in connection with not more than five properties, such as: a two-family house or any other type residence, an apartment building, store, office building, factory, warehouse or farm building. Thus he can make his property more livable, more rentable, more salable. So, too, can any partnership or corporation with "a regular income from salary, commissions, business, or any other assured source".

The cost of this credit is reasonable. Suppose the property owner needs \$285 cash for repainting and improvements. He can sign a note for \$300, payable in twelve monthly installments of \$25 each. In this case the note would not bear interest because the maximum charge permitted (\$15) would be included in the face of the note. This is the Utopian installment plan, since no down cash payment of his own is needed by the borrower to finance his purchase.

While Sam Smith is largely motivated by the fact that the spending on his home is saving at its best, he may, if he is a socially conscious citizen, reap other satisfactions as well. The coat of paint on his house may literally help put a coat and pants on some workman. A large share, possibly three-quarters, of Sam Smith's improvement expenditures will go directly or indirectly for labor. Increased purchasing power, less unemployment, less money for relief from hard-pressed tax payers, will result in those communities where the far-seeing Sam Smiths push modernization and new building projects.



But why will the local financial institutions lend Sam Smith money now, when possibly they would not before the Act was passed? Because the Government will insure the bank against loss up to 20 per cent of the aggregate amount of all the rehabilitation loans it may make. Experience has shown that this is from ten to twenty times the usual loss percentage for installment loans, so that the bank has more than adequate protection.

Homes: Our Most Obsolete Equipment

"I have pointed out to Congress that we are seeking to find the way once more to the well-known, long-established, but to some degree forgotten ideals and values. We seek the security of the men, women, and children of the nation. That security involves added means of providing better homes for the people of the

nation. That is the first principle of our future program."

In these words the President interpreted the meaning of the National Housing Act. He was talking directly to the million Americans who, housing experts predict, will build homes within the next few years; to the two million more who want to repair and modernize their existing structures now; and to the four million workers whose earnings depend upon the revival and stabilizing of the construction industry.

That his words shall go unheeded seems unlikely. Our twenty-nine million homes were characterized by President Hoover's Housing Committee as "the country's greatest bulk of discredited and obsolete equipment". In no particular field has the depression revealed more distress than in the problem of habitations. Some housing experts believe that two million new homes are needed immediately to take care of the slowdown in building since 1930, an amount of new construction sufficient to keep builders operating at full time for a period of five years. Others estimate an annual need of 400,000 additional homes each year for the next decade. Government surveys completed during August reveal that most houses are in need of urgent repair. As many as 61 per cent of the two million examined, in fifty-nine cities, require prompt attention to prevent further costly depreciation. At least 500,000 homes are beyond repair and should be demolished.

Studies made since 1930 show that only half of the residents of America are decently housed. Today 1,800,000 Americans live in 200,000 windowless rooms in New York City's condemned tenements. Less than one out of six of all farm homes have water piped into the house. Over-crowding is no big city monopoly as is indicated by government statistics showing that 10 per cent of the white families in a Mississippi tenant-farm area sleep four or more persons per room; that forty per cent of the homes in one Montana county are of one room only. Approximately ten per cent of the families of the country are today living "doubled-up" with relatives as an economy measure.

The Keystone of the Recovery Arch

The Government's housing program has been received enthusiastically. Many impartial observers agree that its success is of vital importance to real recovery; that it is, in reality, the keystone of the Recovery arch. Joseph P. Day, noted realty broker, terms the National Housing Act "one of the most constructive pieces of legislation ever adopted by Congress with respect to real estate . . . certain to bring wide benefits to real estate and builders . . . will eliminate costly second mortgages on small homes". William Green, president of the American Federation of Labor, predicts: "We believe jobs will be provided for at least 1,000,000 building mechanics, and indirectly for 1,000,000 more workers behind the lines".

The immediate objective and first phase of the program is the rehabilitation and modernization of sixteen million homes and buildings to keep them looking and feeling young. The Government has \$200,000,000 to guarantee the billion dollars of private funds it is hoped will be loaned and used in this gigantic "fix-it" drive.

"Practically every bank in the country" will take part in the home rehabilitation and modernization drive,

officials of the Housing Administration have announced. Banks, finance companies, and building and loan associations with resources of \$33,000,000,000 were prepared by September 25 to extend credit in towns and cities with a total population of over 100,000,000. Leading New York banks on August 15 were advising their correspondents throughout the country of their willingness to go into partnership on modernization loans made, or to carry any surplus the smaller banks could not conveniently handle.

England's experience is encouraging as indicating the possibilities for the success of the long range second objective: the construction of new homes. Ward M. Canaday, director of public relations of the Federal Housing Administration stated on September 27th to the New York City Sales Executives Club: "In England, where the depression began almost immediately after the war and continued for more than twelve years they are building this year 300,000 houses. The population of England is only forty millions. In this country there will be built this year less than 50,000 houses, and our population is one hundred and twenty millions. Yet England's national debt is so great that ours would have to be \$90,000,000,000 to equal the per capita national obligation which rests on every English subject". Economists who have studied American housing needs, he concluded, believe that a new construction program of far-reaching proportions can be carried on through an era of great prosperity without interruption for a period of from ten to twenty years.

Some Difficulties, Not Insurmountable

Although the chances for the success of the Government's housing program are apparent, there are grave difficulties in the present situation that must be overcome. One major hindrance seems to be the reluctance of responsible borrowers to seek further credit. This fear of the cautious citizen to assume more debts, or to create a new one, is fundamentally a psychological attitude which the Government hopes will be remedied as the possibilities of the Act are better understood.

Some financial authorities regard as excessive the Government's stipulation that the income of the borrower of funds for repairs and improvements must be at least five times the installment payments due on the loan. This is a more stringent requirement than normally is demanded by industrial banks which make many of the small loans. Another point that may slow down the borrowing is the provision that no such loans can be granted if taxes, interest, assessments, and mortgage payments are in arrears or if there are liens against the property. A recent modification of the regulations, however, gives the lending institutions considerable discretionary latitude in these matters. Some adjustments seem necessary in the Act itself if there is to be as widespread borrowing for repairs as the Government anticipates.

Of the first 50,000 applications for modernization and rehabilitation loans made in New York State, the average amount requested was \$800. Over 70 per cent of the first group of would-be borrowers at one of New York City's largest industrial banks, it is reported, could not qualify as to sufficient present earning power to warrant "safe" loans being made. It was also reported that during the first two weeks in which applicants for loans had been interviewed in the metro-



Courtesy: The Westinghouse Co. and *Good Housekeeping*

THE MODERN KITCHEN unites beauty, utility and efficiency. Dishes wash themselves, as pictured above in Westinghouse's wonder home at Mansfield, Ohio, where electric servants have ended the labor and endless monotony of home-making. Note the hooded lights over the work tables and all-metal cupboards. Other electric servants answer to the names: stove, refrigerator, coffee percolator, mixer, waffle baker, toaster, towel drier, air conditioner, vacuum cleaner, clothes washer, and ironer.

politan area only 40 per cent were afforded the privilege of submitting an application.

What are currently regarded as high prices of building materials and excessive labor costs are other deterrents to building activity. Price levels of material and labor are, however, in most cases below those of 1926 and are expected to rise rather than decrease. On August 20 the Lumber Code Authority stated publicly that lumber prices were 14 to 20 per cent less than in 1926, and predicted an early rise in prices. An aggressive "Buy Now and Save" story, presenting the facts from the consumer's point of view and in the light of his self-interest, appears to be the solution of this difficulty.

The Government's housing program is designed primarily to benefit the home owner and the building industry—an industry normally giving livelihood to 2,500,000 workers. They and their families total nearly seven million individuals, a group equivalent to one-twentieth of our population. The job of making the housing program a success falls rightfully on those it will benefit most. It is no temporary relief measure but—a permanent business building program—representing a potential market calling for more labor and materials than were used to rebuild France and Belgium after the World War.

Unfortunately, the building industry has for years been notoriously weak in creative selling and organized initiative. And this program requires creative selling of a high order, for it is axiomatic in the building industry that, while available credit materially aids in the completion of a sale, it never initiates it. It is expected—in fact there are already some encouraging

indications—that the industry's leaders will abandon traditional practices and aggressively capitalize upon what may prove to be the chance of a lifetime.

In the final analysis the Consumer, as usual, emerges as King. He will decide the fate of the National Housing Act, as he does every other mass-selling project. His viewpoint, as expressed by his attitude toward the model homes at Chicago's "Century of Progress" and elsewhere, augurs well for the ultimate success of the housing program.

The American people are on the threshold of a great rebuilding of America. Some thirty-five millions of them have seen, first hand at the Fair, a means of "a more abundant life". Probably half of our people, at the Fair and at Home Center exhibits throughout the country, have glimpsed an attainable vision of more luxurious living in the better nest which the American eagle can and will build.

Editor's Note: Readers may secure copies of the National Housing Act—giving all details regarding home modernization, financing of new construction, and re-financing of existing mortgages—by writing the Secretary of the Senate, Senate Building, Washington, D. C. An explanatory brochure, "The National Housing Act, Its Background, Its Provisions, Its Possibilities", may be secured at five cents a copy from the Architectural Forum, 220 East 42nd Street, New York City. Pamphlets prepared by the Federal Housing Administration, giving ample information on all phases of the modernization and improvement program, may be secured from local financial institutions or chambers of commerce.



By
ROGER SHAW

THE dim and musty corners of history have seen a variety of "conspiratorial" international organizations, devoted to widely divergent aims. There was the extremely effective Jesuit international, engaged in the propagation of militant Catholicism; the rival freemasonic international, interested in a liberal rationalism which finally culminated in the League of Nations; the communistic Third International of Moscow; and such hideous internationals as those of white-slavery, the drug traffic, and the ubiquitous armament trust. Jesuits, freemasons, and communists have, in turn, fought for religion, liberty, and economics. But there is now a new international based on racial theories, the Nazi international of Berlin. It is the driving organ of a new cult—that of Neo-Teutonism.

The Jesuit and freemasonic internationals fought one another all over the world during the eighteenth and nineteenth centuries, led respectively by priests and by Garibaldis or Bonapartes. Today the red Moscow inter-

The Unknown Rosenberg

national and the brown Berlin international glare at one another and strive to score competitive coups primarily in Central Europe, but also eastward and westward, and even to some slight degree in red-white-blue America. Much has been written of the rubicund Third International, most of it fallacious; but little has been known of the brown internationalists until the last few months. To date, their primary field of active operations has been in battle-scarred Austria.

The directing genius of the Nazi international is a very versatile and brilliant brownshirt. His name is Dr. Alfred Rosenberg, and he was born a Russian citizen in what has become the independent post-war republic of Estonia. The Baltic provinces have, since the Middle Ages, supported a German aristocracy of landlords and burghers; and the Baltic barons, descended from the Teutonic Knights, have preserved their German heritage under Russian and local rule. In some respects these Baltic colonists are more German sentimentally than the Germans, and Dr. Alfred Rosenberg has served signally to illustrate this point. He is the prophet of Teuton supremacy, and an editor, an executive, and a foreign-relations expert beside.

This Nazi thinker was born in the Baltic seaport of Tallinn, which at that time was called Reval. He lived in Reval, Riga, and Moscow,

and studied to be an architect. Now 41 years of age, Rosenberg has ever been curt and cynical, yet inclined at the same time to grandiose dreams and abstract theories. His makeup has been pithily summarized: Russian mind, German body. He is ambitious, and has had long training in various forms of international intrigue which would delight Mr. E. Phillips Oppenheim.

Rosenberg fought in the polyglot Russian army against Germany, paradoxically enough, in 1914. Later came the inevitable Russian revolution, and Rosenberg showed himself to be a violent white and anti-communist. In 1919 he fled to Germany, which was the home of his ancestors. He went to Munich, reactionary stronghold in Germany for Russian white exiles, and there—in such an atmosphere—the Nazi movement of Adolf Hitler was born. After the unsuccessful Nazi rising of 1923, in which he took part, Rosenberg proved his worth by facile journalism along brown lines; and besides writing books and propaganda pamphlets, he



THE NAZI INTERNATIONAL
is threatening to outstrip the
Red International of Moscow.
Here is a sketch of its presid-
ing genius and his weird activi-
ties. Strangely enough, this
Nazi brain-truster is almost
unknown in faraway America.

rose to the editorship of Hitler's official newspaper, the *Volksicher Beobachter* of Munich. In furthering its violent attacks on liberal capitalism and red communism, "Rosi" excelled, and built for himself a local reputation which brownshirts were quick to appreciate.

"Rosi" had been brought up with all of the Baltic baron's contempt for Slavic peasants and under-men, and this enhanced his philosophical Germanism. He was a profound student of Nietzsche and Spengler, and became an extreme anti-semitic and anti-Christian, for he believed that Christianity was essentially semitic in its doctrines of humility and non-resistance and basic pacifism. Instead, Rosenberg demanded a dynamic return to the violent virtues of Thor and Wotan, and to a sort of neo-paganism based on the national cult of the old Teutonic gods. Charlemagne's conversion of the Saxons to Christianity (785 A.D.) he considered a great misfortune; and the tribal "blond beast" in a cow-horned helmet stood as a Rosenberg and Nazi ideal. Neo-paganism became to the Nazis what atheism is to the communists—an anti-religious religion. Rosenberg embodied many of his ideas in a famous German book, "The Myth of the Twentieth Century", which is well worth reading for its sustained interest.

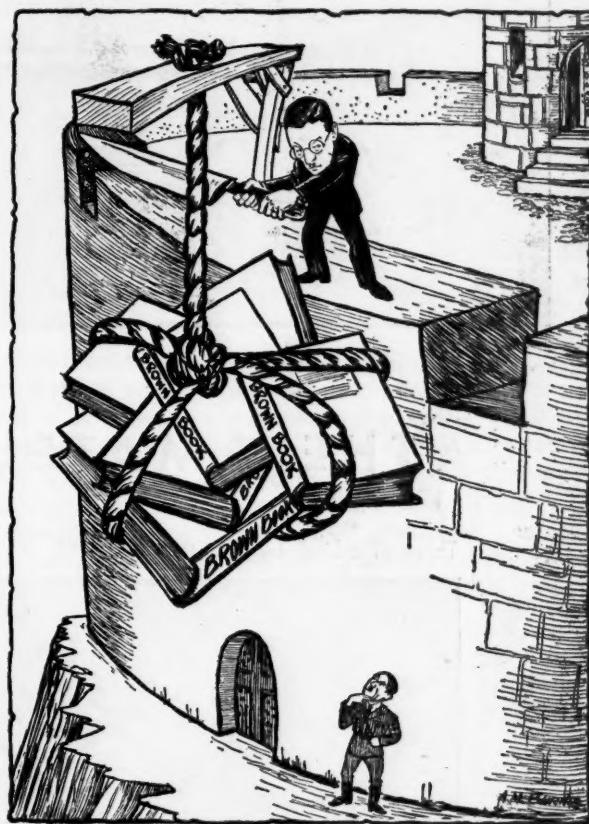
The Baltic German author is by no means one of the Teuton-type giants whom he so much admires. Like his friend and co-worker, Propaganda Minister Goebbels, he is short and dark. "Rosi" has a wide, open face like that of a French provincial, and his appearance is boyish and amiable, and neither brainy nor executive. But he is both, and to a marked degree. Under his really expert guidance, the new Nazi international has taken form and is working effectively from its inconspicuous headquarters, which is said to be at 70 Wilhelmstrasse, Berlin. It is called the "foreign office of the Nazi party." Bureaus and departments are here co-ordinated for propaganda work in various Germanic lands, and propaganda is developed into a fine art only excelled perhaps by ultra-clever England-at-war.

Rosenberg does not believe in wars, either as a matter of tactics or of strategy. Like his rivals of the Third International, he depends on conversion, and not on conquest. "Boring from within" is the Nazi objective, on the principle of a racial self-determination which demands that those things which are Germanic shall be German. He would not favor the military conquest of Austria by Germany, but would prefer to see the Austrian Nazis gain control of their own country, thereby voluntarily uniting its destinies to those of Nazi Germany. To this end, where possible, he would support the Austrian Nazis with propaganda, money, and guns; then fold his arms and await the result. These have been the basic tactics of the Moscow international since its formation in 1917, and it is interesting to remember that communism intended originally to use Berlin for its Third International headquarters.

The main fields in which Rosenberg and his browns are intriguing are such Germanic countries as Austria, Flanders, Bohemia, Switzerland, Holland, the Baltic states, and to some extent Scandinavia and the Balkans. "Rosi" is in close understanding with the Cuza fascists of Rumania and with fascist groups in Hungary, in both of which countries there are German colonists and native sympathizers. Nazi fundamentalist doctrines have an especially strong appeal to self-respecting peasants, and it is among the land-tillers that Rosenberg has found his non-Germanic Balkan allies. In Sweden, the

Prussian Premier Goering his aristocratic and influential family connections which serve as a convenient base; and in Norway the radical peasant groups of Major Quisling have expressed Teutonic sympathy for the racism of the brown international. Elements in Denmark have followed suit. Switzerland is three-quarters Germanic, and Swiss Nazis in brown shirts have been strongly entrenched at Zurich under the leadership of a former Swiss general and chief-of-staff, backed up by a brain-trust of Herr Professors.

Flemish nationalists have long detested their connection with francophile Belgium, and many were openly pro-German throughout the World War. Today the Nazi movement is strong among them, and separation from Belgium with an accompanying connection to Germany is advocated by the "frontist" leaders such

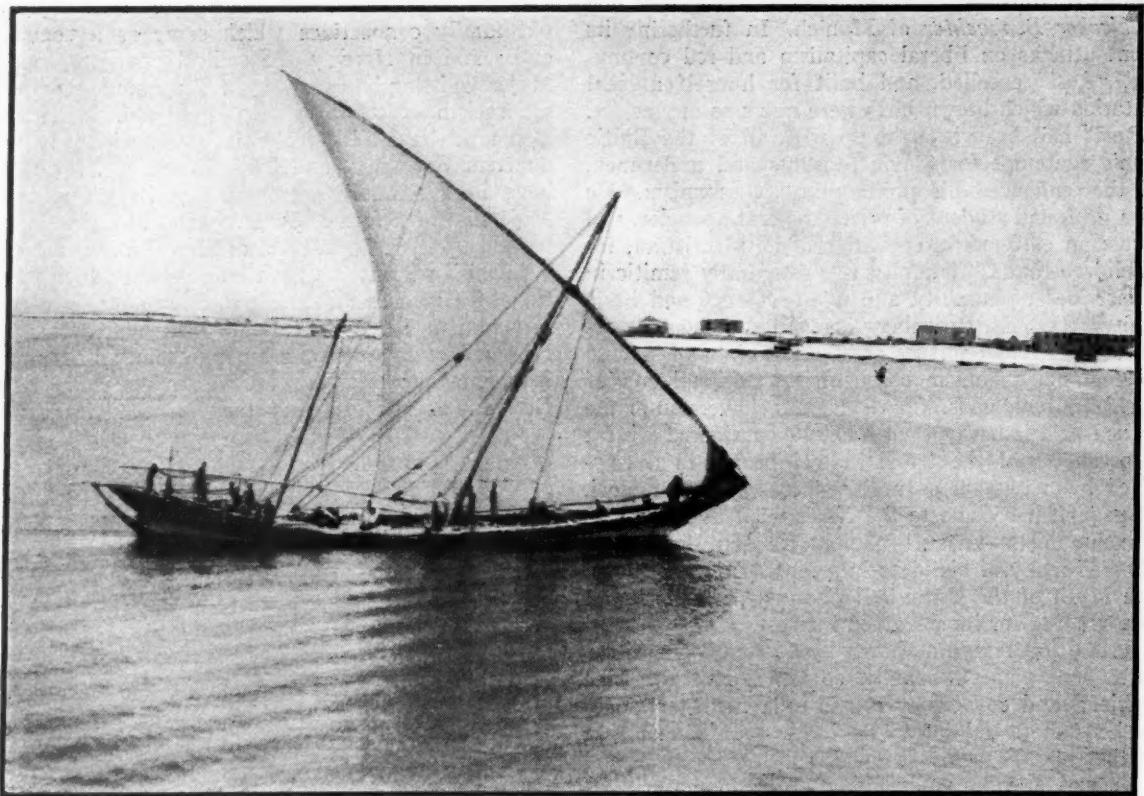


From the Glasgow (Scotland) *Bulletin*

ROSENBERG launches "brown" propaganda from the beleaguered fortress of Nazi Germany.

as Dr. Van Severen. Flemish, linguistically, is extremely close to the *plattdeutsch* dialects of Bremen or Cologne. Dutch Nazis, under Dr. Haughton of The Hague, coöperate closely with the Flemish Nazis. In the Baltic states of Latvia and Estonia, in Lithuanian Memel and in Finland, the Teutonic ruling-class is strongly interested in the activities of "Rosi"—who, to them, is a local boy who made good in the big city of Berlin.

Bohemia, leading province of Czechoslovakia, is more than one-third German speaking; and the Nazi party, even in this liberal country, has been suppressed for its illicit activities. German Bohemians live thickly massed along the German frontier, and German Bohemians dislike the rule of the Czech (*Continued on page 77*)

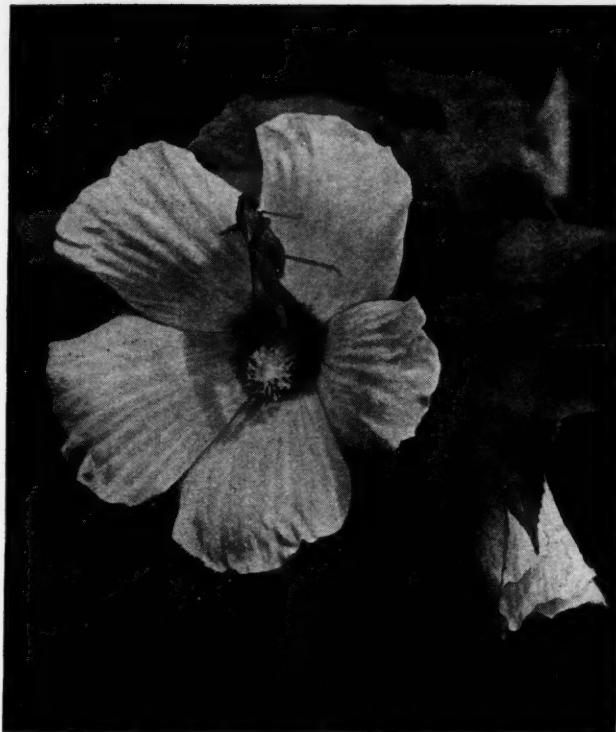


Suez Dhow, by DOUGLAS CULLEN

THE AMATEUR'S CAMERA

Three of a kind, by GARDNER FETTER





Hibiscus, by GARDNER FETTER

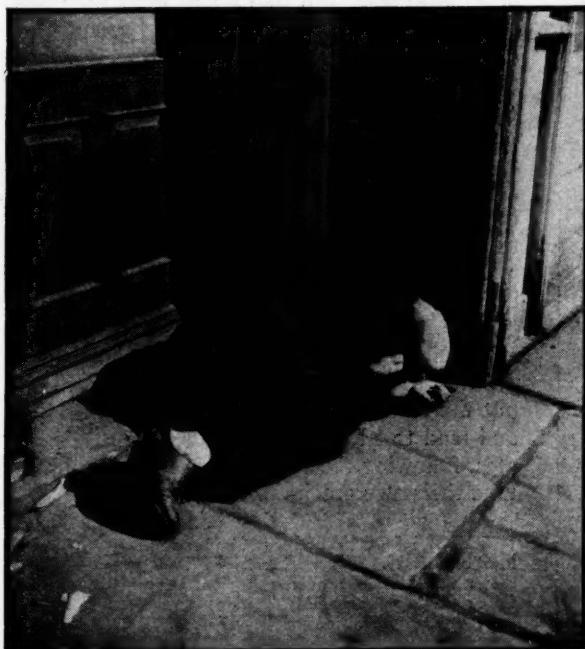


Portrait of a Woman, by CHARLES F. JACOBS, JR.

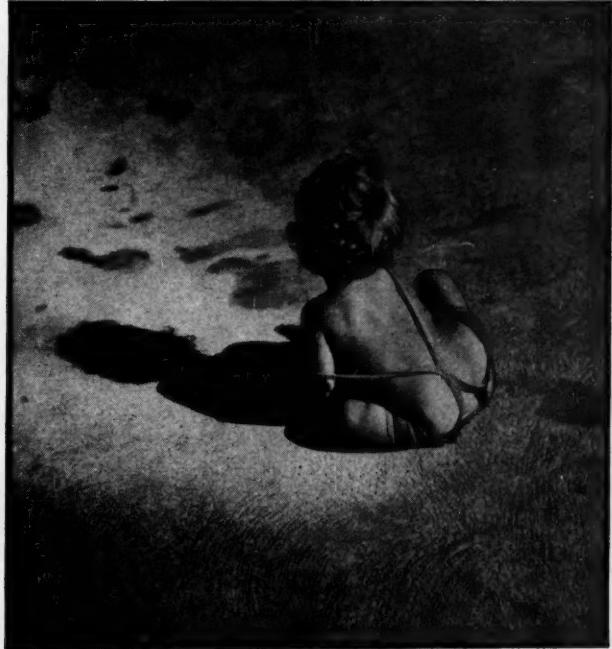
● THESE PAGES, illustrative of what amateur photographers are accomplishing these days, should be incentive enough to unpack that camera stored away with last summer's wardrobe, and to try, try again. With pictures like these, taken and developed with ordinary equipment, it will no longer do to moan after expensive paraphernalia and specialized artistry. Rather, it is time to appreciate Emerson's statement, "Every artist was first an amateur."

Since its invention, photography has been a fascinating hobby. The best feature of all is that you can have a load of fun. The quest for interesting shots, the "black magic" of the dark room are absorbing tasks that make leisure time really significant. Add to this the thrill of creating a distinctive picture and you will realize what photography can be like as a hobby.

Man in a Doorway, by RUTH BIRDSELL



Sand Girl, by LARRY JUNE



Government by "CRACK-DOWN"

★ ABUSE of political power to "crack-down" on an annoying critic is not new. The Big Stick may be justified in a crisis but it has little excuse at any time.

By RAYMOND CLAPPER

ANCIENT ROMANS threw the early Christians to the lions, Medieval Europe had its Ordeals, Spain its Inquisition, England its Star Chamber, and in our own sweet land of liberty we have the "Crack-Down".

It is not General Hugh Johnson's invention. He merely had a name for it. Human nature, when clothed with great official power, seldom has been strong enough to resist the temptation to swing the handiest club at some strong-minded individual who becomes particularly annoying while insisting on his rights. When the Man on the Cross was beset by scourgers, He cried out: "Forgive them, for they know not what they do". But weaker mortals, made mighty temporarily, are in-



By Carlisle, in the Des Moines Register

clined to hit back, to turn on the heat, to give 'em the works. Sometimes they go too far, and then you have the angry barons gathering at Runnymede, or there is a Boston Tea Party. Officials in a democratic country usually have enough discretion not to over-use this tempting weapon. They use it, in fact, about in inverse ratio to the vigilance of the people over whom they rule.

The "crack-down" naturally is used more often by a popular executive than by an unpopular one. While the applause of the populace is ringing in his ears, a President feels strong. He is more impatient of those who get in his way, and more apt to brush them aside ruthlessly. He knows the chances are more than even that the crowd, being with him, will like it; at least they will not resent it. The impetuous Teddy swung his big stick. Wilson, with the world at his feet, made his pen mightier than any sword when he set out to slay a foe. Coolidge in moments of petulance; Hoover, boiling with resentment; and even the tolerant Roosevelt of the New Deal, with his fist in a velvet glove—each in his own characteristic way, has cracked down on those who dared to be rugged individualists.

They have not done it illegally in most cases, but extra-legally. They have used the mighty power of the presidential office to annihilate a critic, either by turning the law on him or by pointing the finger of scorn. By so doing, they put the fear of God into other potential critics and tend to silence them in advance. Subordinates, following the example of the chief, undertake their own crack-down adventures.

THEODORE ROOSEVELT was famous for his "big stick". This cartoonist of 1908 shows the President having had a perfectly corking time. This "corking" was an early manifestation of "crack-down".

From *Puck*. Copyrighted 1908.



ACCUSATION of income-tax irregularity is one way of annoying the opposition, and it can be used to political advantage.

Time and again the White House has by such means cowed those who were impelled to speak up. In times when the very unanimity of public sentiment made it desirable to encourage the balance-wheel of criticism to spin a little more freely, this presidential curb has actually pinned it tight. If it is done with a smile, it is apt to be all the more effective, because the public is thrown off guard.

The crack-down takes many forms. An obstreperous Senator may find revenue agents going over his income-tax papers, as Huey Long discovered. Colonel Lindbergh, giving the public his views about cancellation of air-mail contracts, suddenly may be labelled a "publicity hound" by the White House. A patron saint of

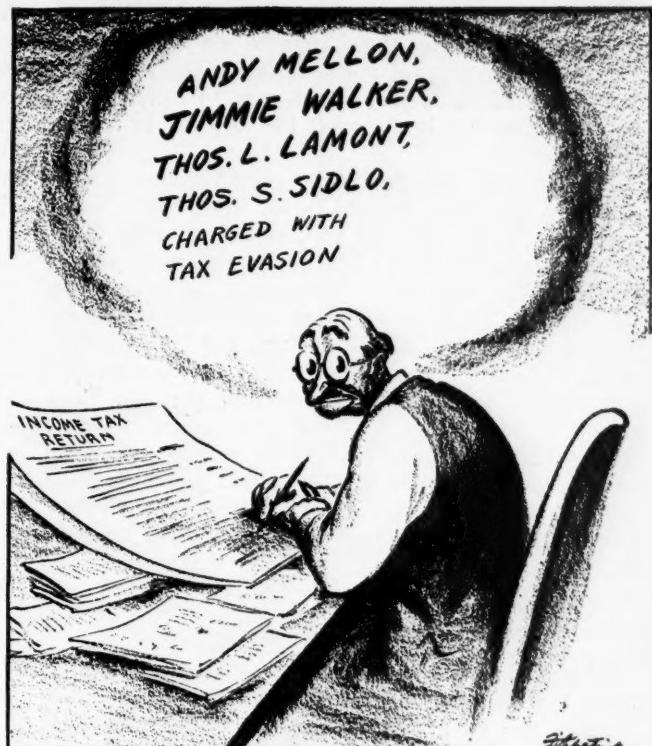


By Knott, in the Dallas (Texas) News

the Old Dealers, Andrew W. Mellon, may have some painful hours while a grand jury hears Department of Justice agents unsuccessfully ask for an indictment for alleged income-tax fraud. The United States Chamber of Commerce, asking several pointed questions of the President, may suddenly find itself on the spot and be obliged to explain its position apologetically.

Theodore Roosevelt Jr. said recently that he was offered a position with a large financial house, but that the offer was withdrawn when he insisted upon the right to make speeches regarding Administration policies. He was told that it would invite retaliation by Washington. . . . And in the midst of the Pacific Coast longshoremen's strike, ship owners were notified that they must appear before the Postoffice Department for investigation of their ocean-mail contracts.

General Johnson carried the crack-down practice considerably beyond all previous bounds. He attempted a public crucifixion of Henry Ford. In another instance a business writer in Washington is capitalizing on what he regards as persecution at the hands of Johnson. Again, the *Washington Post*, which has been more charitable toward Johnson than a good many



By Fitzpatrick, in the St. Louis Post-Dispatch

BRIG. GEN. WM. MITCHELL, formerly assistant chief of the Army Air Service, was court-martialed in 1925 for his outspoken criticism of government aviation policies, at the "Shenandoah" disaster inquiry.

Democratic officials, was savagely attacked by him in a radio address for printing the "New Dealers", an anonymous book written by a person within the Administration in which the General's public career was analyzed. The instances of cracking-down perpetrated by Code Authorities and NRA subordinates, following the example of General Johnson, have been an important factor in undermining confidence in this federal agency.

The story of legalized trespass which made federal prohibition so repugnant is mild compared with the one which will be told eventually about the means by which the very fine ideal of the abundant life was advanced. Why this Administration has not, in its Noble Experiment, profited by the inward circumstances which wrecked the prohibition experiment, absolutely defies explanation. Possibly the plight of the country was so desperate that there was a tendency to make any means justify the end desired by all.

The "Crack-Down" In Earlier Days

It is not that this Administration is any worse than those of the pre-New Deal era in rewarding its friends and punishing its enemies, and in resorting to extracurricular pressure in undertaking punishment at times. Having so far greater power over the economic life of the average citizen, there would seem to be greater obligation to use this power with scrupulous restraint, and to be on guard against the temptations which most Presidents in the past have been unable to resist. Even the strongest yielded to them.

Theodore Roosevelt, especially, was given to Gargantuan wrath. He went after the "malefactors of great wealth" and the men who had "soft bodies and

hard faces", by name. When he went after suspects in the western timber frauds, he put the pressure on so hard that among those rounded up was William E. Borah, then a rising young figure in the West, who was acquitted by a jury which was so convinced of his innocence that it never left the jury box in rendering its verdict.

Senators and Congressmen believed Theodore Roosevelt used the Secret Service to spy upon their private evening activities, for the purpose of gathering interesting information with which to force them to support White House measures. Feeling was so strong over this that Congress passed a law restricting the Secret Service to detection of counterfeiting and the protection of the President. In commenting at the time on this curtailment, Theodore Roosevelt said that the chief reason it was passed was that Congressmen did not wish to be investigated by Secret Service men. He said that very little such investigation had been done in the past, but that he did not believe it in the public interest "to protect criminals in any branch of the public service, and we should be given ample means to prosecute them if found in the legislative branch".

A Means of Retaliation

After this arm of presidential retaliation was amputated, there were occasional flurries when Senators and Congressmen reported they had been under investigation by Department of Justice agents. While Senator Burton K. Wheeler of Montana was conducting the senatorial investigation of the Department of Justice, during the régime of Harry M. Daugherty in the Harding Administration, Wheeler was hauled into court on a charge of accepting a fee to get an oil lease transferred. He was acquitted in ten minutes when the case finally reached a jury. Still pursuing him, the Department of Justice brought up the case again in the District of Columbia, where it was thrown out of court.

After Gaston B. Means, who had been in the confidence of high officials of the Harding Administration, began telling some of his inside story to the Senate investigating committee, he quickly found himself behind prison bars. One Representative, who had demanded the impeachment of Daugherty, was caught by federal agents under compromising circumstances and was forced to drop his fight and retire from public life under pain of exposure.

Several incidents marked the Coolidge Administration's crack-down activities. There was the disciplining of Rear Admiral Magruder for a magazine article exposing the red-tape inefficiencies of the Navy. Brig. Gen. William Mitchell was court-martialled for speaking up about alleged inefficiency in the handling of military aircraft, following the *Shenandoah* dirigible disaster. Coolidge himself undertook to dress down Jules Jusserand, then French Ambassador and dean of the diplomatic corps in Washington, for a speech before a ladies' literary club in Washington about the war debts. Mr. Coolidge remarked at the next press conference that if Ambassador Jusserand had any suggestions to make about war debts he could make them to the White House. His rebuke was so curt that it caused sharp repercussions, and to spare the ageing ambassador—who was then on the point of retirement after a career of notable work—Mr. Coolidge issued a diplomatic denial for the sake of the record. Few Presidents are so relenting when they crack down.

The heat turned on Senator James Couzens by Mellon, then Secretary of the Treasury, was the most sensational of these incidents during the Coolidge régime. Senator Couzens, the richest man in the Senate, was engaged in a fight against the Mellon tax plan. Because of his own fortune, Couzens was able to swing more weight into his fight than a one-suspender Senator might. So Secretary Mellon set out to mow him down for his treason. Treasury agents dug into the income-tax returns of Senator Couzens. One afternoon, right in the middle of his fight on the Mellon tax bill, it was disclosed that the Senator, having invested his fortune in tax-exempt securities, had paid no income tax, and Mellon asked: "Must a system, which permits a man with an income of \$1,000,000 to pay not one cent to the support of his government, remain unaltered?"

A little later, when Senator Couzens began an investigation of the Treasury's handling of income-tax cases and privately engaged a special investigator to work over the records, President Coolidge dispatched a sizzling letter to the Senate and broke the force of the drive by rallying public sentiment against it.

Two spectacular incidents stood out above the numerous others during the Hoover Administration. One was his public castigation of William B. Shearer, who lobbied against disarmament at the Geneva conference in 1927. Mr. Hoover's blast precipitated a senatorial investigation which exposed much of the shady side of the maneuvering which goes on around all important international conferences.

A short time later Mr. Hoover struck back at the Navy League, which had accused him of "abysmal ignorance" regarding naval policy. The President appointed a jury of Administration officials to investigate the charges, and the Navy League had rough going as a result.

Newspapermen Not Exempt

Newspaper reporters who printed dispatches which were displeasing to Mr. Hoover were reported to their superiors, and investigations to discover their sources of information often resulted. Once when a reporter printed a brief news item about a patched lace curtain which hung in a White House window, the White House even investigated its own Secret Service in search of the leak. The Secret Service also was questioned another time when a report described a fast motor trip by Mr. Hoover from the Rapidan camp back to the White House, where urgent business connected with the war debt moratorium required his prompt attention. In this case the reporter had made the trip behind the presidential car, merely taking notes from his own speedometer.

But of all the incidents of this kind, those in the Wilson Administration were filled with the most personal bitterness. Time after time Wilson cut off a long friendship and political association as with the sudden whack of a sharp knife. Here was a high-strung idealist, tinged with the intolerance of his Calvinistic forbears, driven with the inward compulsion of the Covenanters, unmellowed by the softening which the normal jostling of politicians against each other gives to those in the craft who spend their lives in it. He came into its easy-going atmosphere late in life, direct from the stern discipline of the school-room. All this, infused with the intensity which comes from

the conviction of a cause that rises above the battle, made him ruthless and as cruel as a Puritan.

So it was that Wilson could throw overboard and sink without trace the loyal political help-meet, Col. Edward M. House, whose efforts to trade the Allied statesmen at Versailles into line with the Wilson peace program aroused the unjustified suspicions of his chief and brought down the irrevocable sentence of banishment upon his head. And when illness further accentuated his suspicions in other directions, he struck Lansing down and publicly rebuked the faithful Tumulty.

Even the United States Senate has yielded time and again to the impulse to crack down. In countless instances hapless citizens have been hauled before senatorial investigating committees and been given a public third-degree which lacked only the rubber hose of the police sergeant, but unlike that weapon, it left its marks for life. Senators and Representatives, safely protected by the constitutional privilege of the legislative floor, have blasted reputations, spread innuendo in great black smears. Once a Senate employee, David Barry, secretary of the Senate, said in a magazine article that some members of Congress sold their votes for money, and the Senate turned on him and after a public inquisition fired him.

Freedom of the Individual

This is not a nation of tyrants, and more individual liberty has survived the post-war upheaval than is the case in most other countries. Americans threw off some restraints when they kicked prohibition out. But on the heels of that release from one form of bondage came a whole new political philosophy, which was that the individual must subordinate his own freedom of action in many ways to that of the common will, in order that in the long run he would have greater economic security. That there must be such a compromise with individual freedom is generally accepted. It has been accepted for years in matters of public health. The freedom of a person with small-pox must be sacrificed to the common protection of others.

Now it is coming to be accepted that freedom of the individual must be further circumscribed in economic directions. The current argument concerns the various points at which those new boundaries of individual liberty shall be fixed.

In a country possessing the traditions of the United States, this process can take place only with the real or apparent consent of the people. In some respects that consent actually has been given. In others it is deemed expedient, by some who are impatient for quick results, to try to conjure up the appearance of consent.

That is why, when General Johnson was cracking down on Henry Ford, it was a common remark around NRA headquarters that if Ford were permitted to get away with his indifference to displaying the Blue Eagle, other larger manufacturers would be tempted to do likewise. So General Johnson undertook to make an example out of Ford. And that is why, when Colonel

Lindbergh opened his mouth, the Administration instantly moved in. No one else wishing to do business with the Government would follow the young Colonel's example without thinking twice and weighing the possible consequences.

When the Agricultural Adjustment Administration wants to get quick action, it starts out—as it did in the drought cattle program—to induce farmers to sign voluntarily a virtual blank check by which they agree to abide by any decisions thereafter made by the Secretary of Agriculture. Henry Wallace is too conscientious an official to think of taking advantage of such an unrestricted contract, which binds the other party but leaves him free to do anything he desires. Yet other public officials have been known to set out to cut somebody's throat and not be too particular about the means employed.

During the pressing days of the 1933 panic, the disposition of the public unquestionably was to give the Administration practically unlimited support in doing anything it deemed advisable. When a ship is sinking, the captain gives the orders; and it is not for the passengers, though their lives are at stake, to stand around and quibble over details. Action is the important thing, and all must take a chance on the possibility of an unwise decision being made. But someone must make the decisions.

Now, however, as the pressure of the panic fades away, the need for ruthless haste, for tramping over individual objections, disappears. A crack-down may be necessary in the

urgency of a crisis, and not at all necessary at another time. For a time, trial by jury almost gave way to trial by calling names.

Those who criticized were not answered. They were called Tories, Neanderthalers, Corporals of Disaster. The public was invited to howl them down, with the lieutenants of the Administration—and a picturesque vocabulary they have—leading the chorus.

But the day when the "Bronx cheer" is an answer to a question has gone in this situation. If the officials who are—as were their predecessors—tempted to yell down a critic and throw him to the wolves will just pause and listen to the question, and then try to answer it, they may find that they can persuade him. More opponents have been converted by a twenty-minute talk in the presidential office than by lambasting.

This Administration goes into the next Congress with a fresh majority in both houses. It is in a position to howl down the minority. Already there is talk of tightening the gag rule, so that only a majority can force a measure to the floor of the House of Representatives. One-third of the members can do it now.

The best safety valve the Administration can have in the difficult period ahead is a free and uncowed minority, one which can speak and be listened to. All wisdom has not suddenly shifted to one side of the political aisle. To recognize that fact is not an admission of weakness. It is to reach for greater strength.



By Sykes, in the New York Post

AN outstanding abuse of government power was the attempted public crucifixion of Henry Ford for refusal to report details of his company's business.

CARTOONS OF THE MONTH



By Fitzpatrick, in the St. Louis Post-Dispatch



By Ireland, in the Columbus (Ohio) Dispatch
DURING "THE PERIOD OF PEACE"



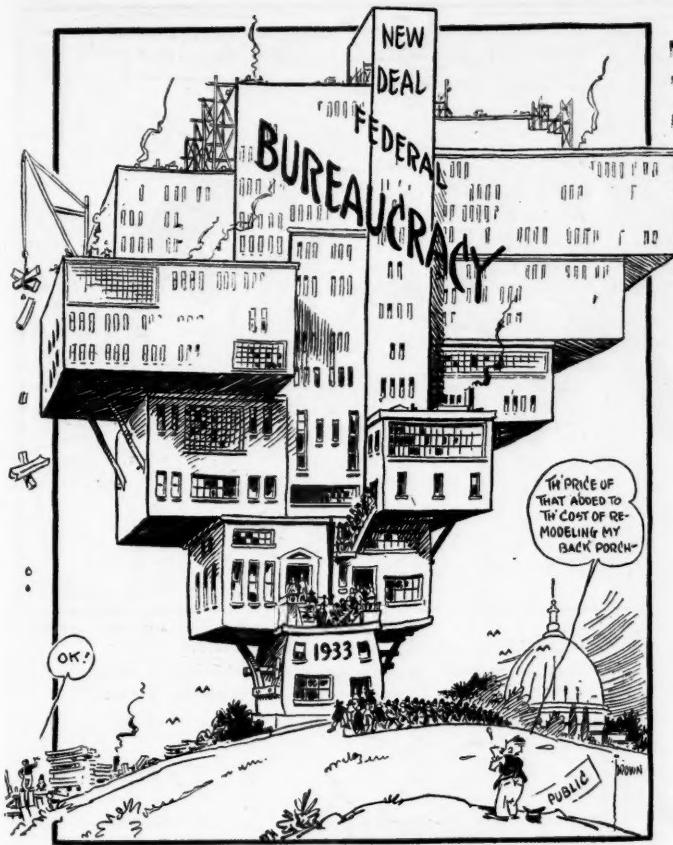
By Elderman, in the Washington Post
A BETTER EGG



By Byck, in the Brooklyn Times-Union
ARE TWO HEADS BETTER THAN ONE?



By Kirby, in the New York World-Telegram
ANXIOUS MOMENTS FOR UNCLE SAM



By Brown, in the New York *Herald Tribune* ©
WAY AHEAD OF THE HOUSING DRIVE



By Fitzpatrick, in the St. Louis *Post-Dispatch*
BELIEVE IT OR NOT



By Elderman, in the Washington *Post*
THE 1934 CAMPAIGN GETS UNDER WAY



By Carlisle, in the Des Moines *Register*
BUSINESS CONFIDENCE: DEAD OR ALIVE?



From *Kladderadatsch* (Berlin)
ITALY AND AUSTRIA

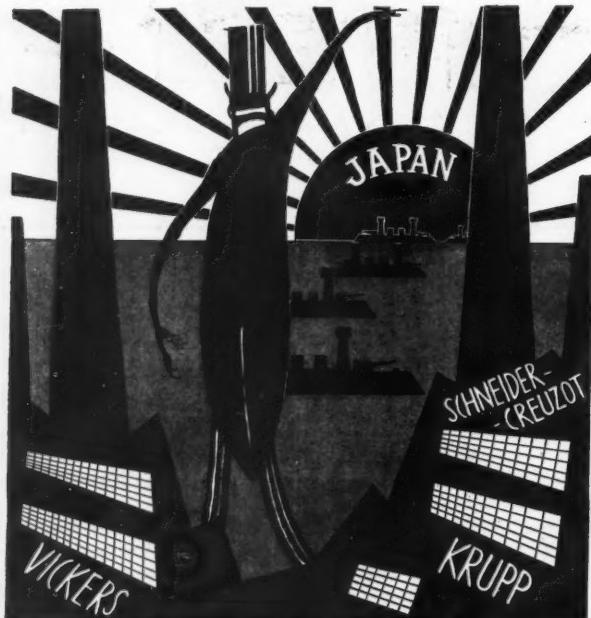
The organ-grinder and his obedient pet, as viewed by a German cartoonist who dislikes the colonization policy of Mussolini.



From the Glasgow Record (Scotland)

TROUBLE IN AMERICA A LA WILD WEST

Is the New Deal a "phoney" deal, as indicated in this Scotch sketch of poker-playing in the divided field of American politics?



From the Prague *Simplicus* (Czechoslovakia)
HAIL TO JAPAN!

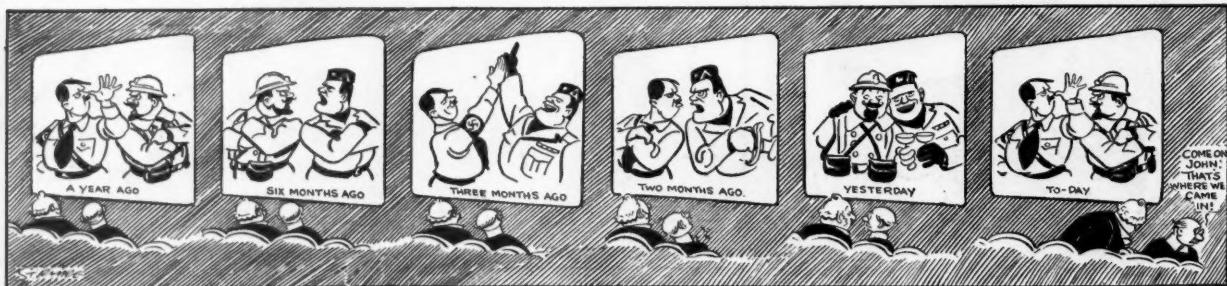
The European munitions-maker greets the rising sun of Japanese militarism with open enthusiasm, as he visualizes war profits.



From the Birmingham *Gazette* (England)

UNDERSEAS RACKET

The unhappy taxpayer carries on his shoulders the heavy load of "professional" patriotism, and of private graft in profiteering.



From the Daily Express (London)

FOREIGN NEWS FILM: Hitler versus the French Poilu versus Il Duce, forever, and ever.



From *Simplicissimus* (Munich, Germany)

ROOSEVELT SWEEPS CLEAN

The American President reorganizes the N.I.R.A. with a broom, to the evident delight of a brilliant Norway-born artist, Olaf Gulbranssen.



From *De Groene Amsterdammer* (Amsterdam, Holland)

ROCKING THE BOAT

American capital struggles with American labor, to the obvious anxiety of the conscientious presidential helmsman, our own F.D.R.



From the *Daily Express* (London)

U.S.S. "N.R. AINBOW": WILL SHE FOUNDER?

How can America win the depression yacht-race if the polygot Yankee crew mutinies in a troubled sea?



Analyzing the Food Companies

By HOWARD FLORANCE

AN INVESTOR in common stocks may search far and wide, and probably not find a more attractive repository for surplus funds than the shares of leading food companies. Certainly no group measures up as well among those analyzed in preceding articles in this series—motors, rails, and utilities. All fourteen food companies whose data are assembled here show net earnings and pay fair though diminishing dividends on their common stock.

It was a common investment belief, when depression came, that people might get along without that new home, might do without that summer vacation in Maine or that winter trip to California or Florida, might make their wardrobe last another season or even two; but that they could not live without food. This was sound reasoning, wholly justified under later examination; although facts now available indicate that the gross income of many of these food companies was almost cut in half before bottom was reached. Borden, as an example, reported sales of 345 million dollars in 1930 and 186 million in 1933. Cudahy sales dropped from 231 million dollars to 124 million. And yet both companies kept out of the red.

Plainly part of this decline is a result of lower prices. If sales were reported on a basis of volume, rather than of dollars, the figures would not be so far apart. Decline in the price of manufactured food products sold was matched by decline in cost of raw materials bought. We use Cudahy again as an illustration, and find that while sales fell off by 46 per cent from 1930 to 1933 the amount paid for livestock dropped 52 per cent. Reference to commodity records shows that cattle sold as high as 13 cents a pound in 1930 and as low as 5 cents in 1933, that hogs sold as high as 10 cents a pound in 1930 and as low as 3.1 in 1933. But those were extreme fluctuations, and serve only to confirm

the 52 per cent average saving by Cudahy in the prices paid for livestock.

The picture has changed, and our food companies—which enjoyed lowering costs for four years—are now paying higher prices for raw materials. Will they get their money back from the consumer? Nearly half of our fourteen companies, for example, buy wheat or flour; and they managed to survive while the price of wheat dropped from \$1.45 in 1929 to 47 cents in 1933. But wheat has been back again in 1934 to \$1.26 (in August) plus a processing tax of 30 cents a bushel. Flour, with the tax included, rose from \$6.20 a barrel to \$8 within four months this year. Corn Products Refining Company faces the task of earning profits when the drought price of corn is now 90 cents a bushel, up from 58 cents in April.

Thus the food industry struggles to maintain normalcy while the pendulum swings widely. A period of recovery for producers proves to be a period of trial for those whom the Brain Trustees call processors.

A Yardstick for the Investor

For the reader who has not seen earlier articles in this series, we pause to say that they are designed in their text to discuss current progress in major industries, and in their tables to present a new yardstick with which to measure relative investment values. It is well to remember that these relative values are based upon present market prices of common shares; that the very best company may be so highly regarded by investors with the long-range viewpoint that its current market price will be out of line, making it less attractive when measured with an inflexible yardstick. The seasoned investor will know that he cannot rely solely upon this or any other method, and especially will he

weigh intangibles in addition to practical items such as dividends, net earnings, and book values.

In order to be of the greatest possible value, we assemble data here for each company over a period of seven years—covering boom, depression, and recovery—and set them up in convenient form for the reader to make useful comparisons. It is a method devised by Joseph Stagg Lawrence, associated with this magazine as its economist.

Earlier articles in the series (on railroads and public utilities) have taken note of other factors, such as fixed charges and ratio of capital investment to gross earnings. These have little or no bearing upon the investment merits of common stock in food companies, for bond issues and even preferred stocks are conspicuous by their absence in most of the groups under consideration here.

All three previous articles have weighed also the factor of gross income; but these food companies, with a few exceptions, do not report gross. It is a most illuminating figure when one wishes to follow the fortunes of a given company over a period of years. Yet it is meaningless if we try to compare the business done by a company which sells yeast with that of a company which sells quarter-sections of beef cattle or barrels of flour.

So the rating tables that form the basis of this article embrace three factors only—dividends, net earnings, and book value. In addition, for information only, we assemble data relating to inventories at the end of the last three fiscal years. Some investors have more faith than others in the significance of a relatively large (or small) inventory. Are commodity prices going down, or up? That is the question. Our inventory table shows, with but two exceptions, that these food companies are carrying larger inventories than in two previous years. Otherwise there is only slight evidence here and there of fluctuation, or speculation against higher or lower commodity levels.

FOOD COMPANY EARNINGS

Based on the annual reports of ten representative food companies, this chart shows that earnings since the 1929 peak have held up better than the price of farm products. These food companies sell wheat in the form of flour, bread, and crackers; corn as cereals and desserts; sugar, milk, butter, canned fruits and vegetables, and such. They paid less to the farmer, but passed a large measure of their savings on to the consumer.

RATING

Based on Present Price of Stock

	Net Earnings Rating	Dividends Rating	Book Value Rating	Comb. Final Rating
United Biscuit Company	2	3	10	1
National Biscuit Company	6	1	8	2
National Dairy Products Corp.	9	2	7	3
General Foods Corporation	4	6	11	4
California Packing Corporation	1	13	5	5
General Mills, Inc.	7	7	6	6
Cream of Wheat Corporation	8	5	13	7
Borden Company	13	4	3	8
Standard Brands, Inc.	5	10	12	9
Hershey Chocolate Corporation	3	12	14	10
Cudahy Packing Company	12	8	2	11
Loose-Wiles Biscuit Company	11	9	4	12
American Sugar Refining Company	10	14	1	13
Corn Products Refining Company	14	11	9	14

COMBINED FINAL RATING is obtained by weighting the three factors. We value Net Earnings and Dividends each at three times Book Value. The reader who has followed this rating formula in three previous articles will note the omission here of Gross Earnings as a fourth factor. But Gross Earnings in this food group do not prove to be comparable, one company with another. Another rating present in the Railroad and Utility analyses, but not here, is the times-over that fixed charges are earned. This is omitted because the food group operated largely without bond issues.

The reader is reminded that fourteenth rating among food companies is not to be despised, for all fourteen companies enjoy net earnings and pay dividends. Corn Products, for example, at the bottom of our list, is there largely because it is highly valued by the investor, who is willing to pay more for it than for shares in other food companies with comparable earnings.

These inventory figures would have more significance if all the companies were to publish amounts of gross sales, so that the inventory account could be measured in relation to turnover. For example, Cudahy's inventory as last published (October, 1933) was 16 million dollars and its total sales that year were 124 million. Thus its apparently large inventory—36 times that of the Cream of Wheat Company—was sufficient to carry on its business for seven weeks only.

How the Mighty Fell

Assuming that stability of earnings is the first concern of an investor, we learn that our fourteen food companies enjoyed total net earnings of 139 millions in 1929, 133 millions in 1930, 108 millions in 1931, 73 millions in 1932, and 76 millions in 1933. The extreme decline exceeded 47 per cent. Transposing the record to a scale of 100 in 1929, these net earnings dropped to 52.6 in 1932 and recovered only as far as 54.5 in 1933. The half-year record of 1934 is no better.

Eight of the fourteen companies improved their earnings in 1933. One of the eight (Standard Brands)



NET EARNINGS

(Net available for common)

Average 1928-1933	Total (000,000)					Per Share						
	Yearly			First 6 Months		Average 1928-1933	Yearly			First 6 Months		
	1931	1932	1933	1933	1934		1931	1932	1933	1933	1934	
15.4	17.6	10.5	11.4	6.3	5.9	General Foods	2.96	3.34	2.01	2.16	1.90	1.12
16.4	13.7	14.4	14.5	6.4	8.1	Standard Brands	1.28	1.08	1.14	1.15	0.51	0.64
17.2	18.0	15.4	13.2	5.6	5.4	National Biscuit	2.84	2.86	2.44	2.11	0.90	0.86
1.8	1.7	1.1	1.4	.6	.6	Loose-Wiles	3.48	3.14	2.04	2.74	1.22	1.15
1.5	1.7	.8	.9	.3	.4	United Biscuit	3.16	3.71	1.79	2.03	0.82	0.98
2.7	2.5	2.7	2.4	Not published		General Mills	4.12	3.93	4.13	3.56	Not published	
1.7	1.6	1.5	1.3	.5	.6	Cream of Wheat	2.74	2.72	2.50	2.15	0.89	0.95
16.8	21.5	11.8	6.3	4.7	3.6	National Dairy Prod.	3.08	3.43	1.88	1.01	0.76	0.58
13.1	16.1	7.5	4.6	Not published		Borden	3.63	3.82	1.71	1.06	Not published	
10.7	9.0	7.0	*9.8	4.3	3.5	Corn Products	4.14	3.54	2.77	*3.87	1.71	1.40
1.6	1.5	.3	1.2	Fis. yr. Oct. 31		Cudahy Packing	3.38	3.06	0.70	2.64	Fis. yr Oct. 31	
1.2	d4.9	d4.5	4.1	Not published		California Packing	1.20	d5.02	d4.68	4.28	Not published	
2.4	1.1	1.4	1.8	Not published		American Sugar Refining	5.41	3.17	3.01	4.03	Not published	
4.6	6.2	3.4	3.0	1.4	1.9	Hershey Chocolate	6.55	8.73	4.72	4.06	1.84	2.65

A DOWNWARD TREND in the earnings of food companies has not been overcome. Notable exceptions are the records of Standard Brands, California Packing, American Sugar Refining, and Hershey Chocolate. There is, however, no indication of impending dividend reduction—except possibly in the two dairy companies. Three companies, judged by figures in this table, could afford to increase their present dividends: California Packing, American Sugar, and Hershey Chocolate.

*Corn Products 1933 earnings include a subsidiary sales company, not shown in prior years.

DIVIDENDS

	Average 1928-1933	1928	1929	1930	1931	1932	1933	Estimated 1934
General Foods Corp.	2.67	2.75	3.00	3.00	3.00	2.50	1.80	1.80
Standard Brands, Inc.*	1.23		37½	1.50	1.20	1.20	1.00	1.00
National Biscuit Company	2.90	2.80	3.00	3.20	2.80	2.80	2.80	2.00
Loose-Wiles Biscuit Co.	2.39	1.60	2.35	2.90	3.00	2.50	2.00	
United Biscuit Company	1.75	1.60	1.60	1.60	2.00	2.00	1.70	1.60
General Mills, Inc.	2.71	.75	3.50	3.00	3.00	3.00	3.00	3.00
Cream of Wheat Corp.*	2.36		.50	2.50	2.50	2.25	2.25	2.00
National Dairy Products, Inc.	2.28	3.00	2.25	2.00	2.60	2.45	1.40	1.20
Borden Company	2.68	3.00	3.00	3.00	3.00	2.50	1.60	1.60
Corn Products Refining Co.	3.58	3.25	4.00	4.25	4.00	3.00	3.00	3.00
Cudahy Packing Company	3.63	4.00	4.00	4.00	4.00	3.25	2.50	2.50
California Packing Corp.	2.33	4.00	4.00	4.00	2.00	None	None	1.25
American Sugar Refining Co.	3.18	1.25	2.50	5.00	5.00	3.25	2.00	2.00
Hershey Chocolate Corp.	3.25	None	None	5.00	5.00	6.00	3.50	3.00

THIS SEVEN-YEAR dividend record of fourteen companies is unique. All now pay dividends—a situation not met in groups analyzed in three previous articles. California Packing suffered a setback in 1931 that is now apparently past; for our earnings table shows 1933 net earnings per share in excess of the old \$4 dividend. Hershey Chocolate's omission of dividends in 1928-29 was a result of reorganization by its philanthropic founder, and those two years were used by the new corporation to get started.

*Standard Brands' and Cream of Wheat's first full year was 1930; thus the average here is for 1930-33 only.

INVENTORIES

	1933	1932	1931	Dollars of Inven. per share 1933
	(End of Year)			
General Foods Corporation	\$18,605,710	\$15,479,347	\$15,820,293	\$3.55
Standard Brands, Inc.	15,251,308	11,883,755	12,995,739	1.20
National Biscuit Company	11,271,332	8,515,393	7,750,108	1.80
Loose-Wiles Biscuit Company	3,421,315	2,363,394	3,022,244	6.50
United Biscuit Company	1,606,554	1,249,359	1,462,430	3.60
General Mills, Inc.*	20,465,885	20,310,415	12,807,305	3.10
Cream of Wheat Corporation	446,598	368,679	378,665	0.75
National Dairy Products, Inc.	14,975,576	11,267,263	14,050,818	2.40
Borden Company	19,936,771	12,780,666	17,161,726	4.50
Corn Products Refining Co.	7,514,297	4,207,332	5,715,190	3.00
Cudahy Packing Company**	16,204,928	11,903,278	13,628,305	34.75
California Packing Corp.***	16,875,736	13,152,000	19,635,614	17.50
American Sugar Refining Co.	11,492,866	8,229,636	8,267,801	25.40
Hershey Chocolate Corporation	5,079,852	5,247,164	5,934,495	6.90

THIS TABLE of inventory values is presented for the reader who believes that inventory—in a period of rising or falling commodity prices—is a guide that should not be overlooked. The table does not, however, figure in our rating scheme. Note the consistently low quantity of raw materials or finished goods carried by the cereal maker, Cream of Wheat, and the large quantity carried by the meat packers, Cudahy.

* Fiscal year May 31, 1934, 1933, and 1932.

** Fiscal year October 31, 1933, 1932, and 1931.

*** Fiscal year February 28, 1934, 1933, and 1932.

continues its improvement markedly in the first half of 1934. Otherwise the 1934 interim reports are inconclusive: Five companies do not publish them at all; four show higher earnings; three show lower earnings; and two are just about holding their own. Lower costs of cereals, flour, sugar, butter, and everything else, were passed on to the consumer, voluntarily or under the pressure of competition.

For purposes of relativity we add that this drop of 47 per cent in the earnings of food companies, from 1929 to 1932, compares with a decline of

98 per cent in the aggregate net earnings of seven automobile companies analyzed in the first article of this series. None of our fourteen food companies operated at a loss last year, and only one of them showed a deficit at any time during the depression.

Dividend returns upon one share of stock in all fourteen companies aggregated \$44.95 in 1930 (which was the peak year), and declined modestly to \$36.70 in 1932. But this was not the bottom for food companies. Dividends in 1933 dropped further, to \$28.55; and in 1934 (partly estimated) they have fallen off still more, to \$27.95. Rising commodity prices are not being passed on effectively to the consumer, and the shareholder's income suffers. Thus the specter of profiteering, which raised its head in some quarters during August

and September, seems to be far from a menace to the consumer who buys the trademarked wares of these food companies.

NRA brought added costs for labor, which the food companies cheerfully assumed. But their principal financial problem came with AAA, for our food companies are "processors" and thus hold the bag for the Government in its heroic effort to aid the farmer. Corn Products Refining Company, for example, pays a tax of 5 cents a bushel on corn, and has to compete with other products that are untaxed (Karo Corn Syrup versus molasses or maple syrup, for instance). Even where there is no such inequality, the processor is required to advance the money for the tax and then is permitted to try to get it back from the ultimate consumer.

Inflation, when it comes, will bring new problems. Here again the processor will occupy the space between two millstones, paying inflated commodity prices immediately and then trying to squeeze the equivalent out of consumers whose incomes will be much slower to rise.

In the light of cold statistics of the recent past, the investor may be justified in waxing enthusiastic over the record of food companies in an era of depression. This was the result of two favorable factors: (1) That people must eat, when they usually can do without other things such as automobiles and railroad journeys; and (2) that raw materials, which constitute the main item of expense, dropped almost in proportion to the decline in sales.

What this second factor means may be indicated by suggesting the cheer that might have prevailed among automobile makers if their 72 per cent decline in gross revenues had been accompanied by a similar decline in the cost of steel, glass, and rubber.

The careful investor is concerned with the price he must pay for common stock. Whatever politicians, malcontents, and others may believe or say, the average investor is a human being seeking mainly to exchange a present surplus for a future income for himself or his dependents. In this group of leading food companies, one share in each of the (Continued on page 73)

PRICE PER DOLLAR OF DIVIDENDS

	Dividends per Share 1928-1933 Average	Market Price 1928-1933 Average	Price per Dollar of Dividends 1928-1933	Estimated Dividends 1934	Market Price Oct. 1, 1934	Price per Dollar of 1934 Dividends	Rating in Group 1934
General Foods Corporation	2.67	48	18.00	1.80	30	16.70	6
Standard Brands, Inc.	1.06	22	20.75	1.00	19	19.00	10
National Biscuit Company	2.90	61	21.00	2.00	26	13.00	1
Loose-Wiles Biscuit Company	2.39	48	20.10	2.00	38	19.00	9
United Biscuit Company	1.75	35	20.00	1.60	23	14.35	3
General Mills, Inc.	2.71	54	19.93	3.00	55	18.33	7
Cream of Wheat Corporation	2.00	29	14.50	2.00	32	16.00	5
National Dairy Products, Inc.	2.28	39	17.10	1.20	16	13.35	2
Borden Company	2.68	59	22.00	1.60	24	15.00	4
Corn Products Refining Co.	3.58	72	20.12	3.00	62	20.67	11
Cudahy Packing Company	3.63	44	12.13	2.50	47	18.80	8
California Packing Corporation	2.34	45	19.22	1.25	37	29.60	13
American Sugar Refining Co.	3.18	54	17.00	2.00	65	32.50	14
Hershey Chocolate Corporation	3.25	72	22.15	3.00	64	21.34	12

THE INVESTOR pays least, for each dollar of current dividends, if he buys stock in the National Biscuit Company; and that company is therefore given Rating No. 1 here. This table should, however, be used with that of Net Earnings (page 50), to show to what extent these present dividends are being earned.

PRICE PER DOLLAR OF NET EARNINGS

	Net Earnings per Share 1928-1933 Average	Market Price 1928-1933 Average	Price per Dollar of Net Earnings 1928-1933	Estimated Net Earnings 1934	Market Price Oct. 1, 1934	Price per Dollar of 1934 Net Earnings	Rating in Group 1934
General Foods Corporation	2.96	48	16.20	2.24	30	13.40	4
Standard Brands, Inc.	1.28	22	17.20	1.28	19	14.83	5
National Biscuit Company	2.84	61	21.50	1.72	26	15.12	6
Loose-Wiles Biscuit Company	3.48	48	13.80	2.30	38	16.52	11
United Biscuit Company	3.16	35	10.09	2.00	23	11.50	2
General Mills, Inc.	4.12	54	13.10	3.50	55	15.70	7
Cream of Wheat Corporation	2.74	29	10.60	2.00	32	16.00	8
National Dairy Products, Inc.	3.08	39	12.68	1.00	16	16.00	9
Borden Company	3.63	59	16.25	1.10	24	21.80	13
Corn Products Refining Co.	4.14	72	17.40	2.80	62	22.15	14
Cudahy Packing Company	3.38	44	13.03	2.64	47	17.80	12
California Packing Corp.	1.20	45	37.50	4.00	37	9.25	1
American Sugar Refining Co.	5.41	54	10.00	4.00	65	16.25	10
Hershey Chocolate Corp.	6.55	72	11.00	5.30	64	12.08	3

NEXT TO dividends paid, net earnings are the most valuable guide for the investor. Interesting here is the high ranking obtained by California Packing (No. 1) in the matter of low cost to the investor who seeks net earnings, in contrast to the high cost of dividends (No. 13 rating) in the same company. Other comparisons are well worth while. Cudahy, California Packing and American Sugar in the two columns at the extreme right, are estimates based on 1933 figures.

PRICE PER DOLLAR OF BOOK VALUE

	Book Value Per Share 1928-1933 Average	Market Price 1928-1933 Average	Price per Dollar Book Value 1928-1933	Book Value 1934	Market Price Oct. 1, 1934	Price per Dollar of 1934 Book Value	Rating in Group 1934
General Foods Corporation	10.53	48	4.65	10.60	30	2.84	11
Standard Brands, Inc.	4.04	22	5.45	4.02	19	4.73	12
National Biscuit Company	16.57	61	3.66	16.07	26	1.62	8
Loose-Wiles Biscuit Company	41.55	48	1.16	42.06	38	0.90	4
United Biscuit Company	10.53	35	3.32	10.70	23	2.16	10
General Mills, Inc.	49.95	54	1.96	45.28	55	1.22	6
Cream of Wheat Corporation	5.50	29	6.45	5.79	32	5.52	13
National Dairy Products, Inc.	15.39	39	2.54	12.02	16	1.33	7
Borden Company	33.55	59	1.76	30.84	24	0.78	3
Corn Products Refining Company	34.08	72	2.12	34.78	62	1.78	9
Cudahy Packing Company	69.57	44	0.63	67.85	47	0.69	2
California Packing Corporation	44.49	45	1.01	38.66	37	0.96	5
American Sugar Refining Co.	171.02	54	0.32	152.56	65	0.43	1
Hershey Chocolate Corporation*	2.10	72	34.25	2.58	64	24.80	14

BOOK VALUE, roughly speaking, is capital plus surplus divided by the number of shares. In general, those companies whose book value is relatively small (in comparison with market price, earnings, or dividends) are classified as "good will" companies. They are able to do a large volume of business without a huge plant investment. Note the low book value of Hershey Chocolate. On the other hand, they usually are obliged to expend more for advertising in order to maintain sales. If the investor has an eye out for high book value at low cost, he will be interested in these figures for American Sugar.

*After allowance for priority of convertible preference stock.

The Baptism of the Foresters

By CHARLES LATHROP PACK

President, American Tree Association

WE MAY NOT yet fully realize it, but before long one-fourth of this United States is to be under the management of foresters. This domain of something more than 600 million acres—with its billions of dollars in forest, in water power, and in other kinds of wealth—is worth more than anything Alexander or Caesar ever dreamed of. It may all seem far away, but what the foresters do will affect our daily life more than anything that has been done in this country for some time.

On account of this state of affairs one must get better acquainted with the foresters and with forestry. At once you say: "Oh yes, they are going to plant some more trees." But that is the least of their work.

Do you know that forest fires have been costing the country \$180,000 a day? That insects and disease cause forest losses of \$200,000,000 a year? That the railroads use nearly one hundred million new wood ties every year? That we use five million poles every year to maintain telephone and telegraph service?

Do you realize that the number of trees of average size cut from the forests in one year would, in growing, cover an area equal to Massachusetts, Connecticut, and New Jersey? That our leading industries are farthest from the points of the greatest production of forest products, and thus the cost of everything you buy is affected by the price of wood? That the cost of forest products influences every article of commerce in the

country? That lack of trees as windbreaks result in millions of dollars damage to farm lands by storms?

The Forest Conservation measures approved by President Roosevelt as schedule C of the Lumber Code went into effect on June 1. Soon for the first time practically all the forest land area of the country, publicly and privately owned, will be under forest management.



PLANTING TREES at Yacolt, Washington, a detail in Uncle Sam's far-flung reforestation program. At the left, in a nursery at Wind River, Washington, men are pulling up two-year-old fir trees for baling and shipping to denuded areas.

Secretary Dern, president of the National Forest Reservation Commission, recently asserted that "approximately one-third of the total land area of the forty-eight states will yield the highest social and economic returns if maintained in a forested condition."

Early in October, President Roosevelt allotted an additional \$10,000,000 for the purchase of forest lands in the East.



ONE quarter of our America—the rough equivalent of twelve states—will be under the beneficent dictatorship of forestry experts to the tune of 600 million acres. Trees are a great national asset, and their scientific cultivation is a fine art. A leading authority faces the problem fairly and squarely, in the spirit of 1934.



CONSERVATION work gives one an appetite, and Uncle Sam supplies the beans, bread and coffee. At left, a group of young forest workers are getting a lesson in the use of the saw.

This means that the federal and state forestry departments will need to employ approximately 20,000 additional men, and the commercial forest industries will require, they say, for the protection and management of their large area, approximately 100,000 more men. All these will be, generally, under the control and direction of foresters. In addition there is the expectation, based on President Roosevelt's statement of October 7 to Director Fechner, that the Civilian Conservation Corps work "must go on". It is to be continued as a preferred unemployment relief measure.

Also, there is proposed a ten or twelve year forest planting job in North and South Dakota, Nebraska, Kansas, Oklahoma, and Texas—a new problem in American forestry. This planting would be 1,300 miles long and one hundred miles wide, with 100-foot rows of trees every mile of width—a vast experiment which its exponents hope will relieve drought conditions and such wind erosion of soil as did incalculable damage last spring in the six states named. However, the failure of our nation to give due recognition to forestry, until recently, has prevented the making of experiments in such shelter belt plantings on a scale sufficient to assure results on a scientific basis.

Will the forestry profession be able to manage efficiently this one-fourth of the area of the United States,

and all the workers needed? This is a question of vital importance. The regions must be so managed that they will be protected from fire, insects, and disease, so that for the first time our forests will produce a sustained yield; in other words, a periodic crop. This crop will have to be gathered by selective logging methods—the cutting

and logging of selected trees, selected groups, and selected areas of trees. Its growth will have to be arranged by silvicultural methods, which will produce the crop best suited to the soil, and to economic requirements, and in such a way that the crop itself will go far toward proper fire-proofing of the forest. It will have to be so managed that soil erosion is reduced to the minimum, that water-shed protection is fully provided for, that game protection shall fit all practical requirements, and that recreational conditions shall be developed to the full needs of the public.

In addition, the attention of foresters must be given to a much broader conception of forest land use than we have ever had. This means utilization of the land for the individual family, rather than exploitation of the family for the maximum utilization or production of certain products on the land. The leading exponent of this idea is Chief Forester of the United States, F. A. Silcox, who says:

"Our forest soil has never supported a permanent population. It is necessary now that the forest soil support permanently its fair share of the population. This may be called social land-use planning. It should include planning the use of forest land and land contiguous to forests to benefit society most. It will mean planning the use of many areas so that families may

live comfortably on the things produced on them, which members of the family may raise, harvest and utilize, or possibly manufacture for the use of others. Things produced should include food and might include one or more other items such as wood products, recreation, game, and fish. Some of the things done will not benefit the family directly, and the work may have to be paid for by the public in general. These things include erosion and flood control, stream-flow regulations, etc. But the family responsible for the area individually or along with others would be employed in the area on this work for the welfare of the public."

All these things constitute quite a program. What of the profession to which this program is to be entrusted?

Yale, University of Michigan, Cornell, Syracuse, Penn State, the University of California, University of Washington, Harvard, and some thirteen other colleges, have for years been turning out professional foresters. There are now some 4,500 of these foresters in this country. Most of them have been working on federal and state forests. Only a few were employed in private forest work.

Facing Tree-Problems

In April, 1933, President Roosevelt created the Civilian Conservation Corps as a relief measure, placing some 300,000 young men between 18 and 25 years of age, and some 25,000 war veterans, on federal, state, and private forest lands, in camps of 200 men each. The forest work of each camp unit should have been under the direction of a forester, but although some 1,900 idle foresters were given work at that time, there were not enough, without better jobs, with sufficient combined experience in handling men and conducting forest operations to take charge of the forest work in all these 1,500 camps. Instead, at many of the camps, the work was directed by engineers who knew how to build roads, bridges, trails, and to boss large numbers of workers.

Fortunately the foresters have had courage to admit that in April, 1933, the profession did not size up to the responsibilities with which it was then invested. A profession which previously had been starved by miserly appropriations for carrying on its federal and state work, and which never in its wildest dreams had conceived the possibility of being presented with 325,000 workers and practically unlimited money, naturally suffered mental as well as physical indigestion when this happened.

The public is vitally concerned in the management of the vast forest land area of the United States. First, because the publicly owned areas will be steadily increased by acquisition of marginal forest lands, of abandoned farm lands and otherwise. Secondly, because this public land, as well as the privately owned land, must be so operated as to provide in perpetuity sufficient timber, pulp wood, and other forest products for the needs of the nation, as well as to guarantee the vital needs of protection from fire, insects and disease, for game preservation, for water-sheds, for prevention of soil erosion and for recreational purposes. To sum it up briefly, it must provide for the health, wealth, and safe future of the United States; for without such forest growth and forest protection, much of the country would in time become a barren waste.

We are therefore entitled to know whether those who are now foresters, and those who will graduate from

our forestry colleges, will be capable of the management of this vast estate. So, let us look things over.

Experience of the foresters with what might be called "mass forestry" has already been acquired with the 325,000 Civilian Conservation Corps workers, and now forest management will have to be developed under the Lumber Conservation Code in the operation of all forest land, private as well as public. Direction of forestry work of the CCC requires training in silviculture, protection and recreation, including landscape forestry and engineering; while under the Lumber Conservation Code, silviculture, management, protection and economic utilization including logging, lumbering and marketing, will be the features.

What, then, must foresters know? How should they be trained to take care of their new responsibilities?

Forest schools in the past have given too much attention to textbook forestry based upon European experience, with too little attention to American forestry methods and practices. Forest school teachers should spend at least three months every year at work in the woods, so that they may be better fitted to teach practical forestry in their school rooms. Also, forestry students should be worked in the woods two or three months during each year of their forestry course. Forestry schools should aim to turn out men much better rounded in economic factors which effect the lumber industry. In fact, there should be fewer and better forest schools. Some of them are now inefficient and poorly staffed.

With the Lumber Conservation Code in effect, there is much greater need that technical foresters should have a practical understanding of the lumber industry and business policies, etc. In fact, the Code throws lumber men and technical foresters into the same hopper to work out a policy and program which will for the first time put timber growing and the lumber manufacturing industries on a permanent and stable basis.

There are not now a sufficient number of competent foresters in state organizations and in private practice to carry on the constructive work that should be done under the lumber industry code. Forestry extension should be given much more attention. This job is the selling of good forest practices to the land owners.

Political interference in forestry work has been a bugaboo in the past. It reached extreme heights when the CCC was put into operation. It was denounced and condemned by foresters from one end of the country to the other, and gradually is being overcome, with a resulting increase in the efficiency of the workers. When, and if, it is entirely eliminated, there will be great rejoicing among those who are directing the work.

Now that forestry is in the big league and the future prosperity of the country is so largely in the hands of the foresters, their attention must be given to suggestions such as the following:

The need for definite working plans for national, state, and private forests, so that the several successive steps in their development shall be clearly planned.

Foresters should not only be well trained theoretically but seasoned in the fire of practical experience and capable of organizing work on a large scale on the basis of long-range plans.

Forests should be so planned that they will produce the crop ultimately most profitable from all standpoints, whether this crop be sawlogs or pulpwood, or whether its highest value be in naval stores or recreation.

The work of opening up forests by scenic roads and trails, and developing fire protection systems, should now become subordinate to real forest management. Most of our forests, particularly in the East, have more of these scenic roads and trails now than are necessary. Fire protection should become a part of forest management, and timber cut not only to secure natural reproduction, but also to make the forest more resistant against fire dangers.

Emphasis in the future should be shifted from purely physical improvements of the forests to silvicultural and general forest improvements. Foresters should become better silviculturists, tree planters, loggers, forest

the dead and down materials is generally practised. These considerations require study and research, and coöperation with the wild life specialists and forest pathologists. They demonstrate the need for including in a forester's training the knowledge and appreciation of all factors affecting the life and health of the forest as a biological community.

Lessons which foresters have learned in the past eighteen months, plus the expectation that there will be marked changes in the education and the training of foresters of the future, indicate that the foresters will be able to do their jobs efficiently.

They have learned that they need skill in organiza-



BOYS of the Civilian Conservation Corps planting black locust and loblolly pine trees on eroded land near Jackson, Tennessee. Neglect and loss of topsoil has rendered land of this character unfit for any use except forestry.

economists and research workers in their profession.

Forestry research has to be continued. But what is probably more essential is the adoption of some means for bringing the results of research to the foresters.

Recognition should be taken of the fact that a forester may become a teacher as well as a boss, explaining to the workmen under his charge some of the underlying principles of various silvicultural treatments, pointing out the influence of the animal, insect, fungi, soil and ground plants, etc., and making their work as interesting and instructive as possible under the circumstances.

The broader aspect of forestry work involves something that so far is not soundly worked out—namely, the whole problem of land use in a given region as affecting not only actual forestry but the other functions of wild and semi-wild land, recreation, hunting and fishing, water conservation, soil protection and fire. All these things have a bearing on what has to be done in any large area.

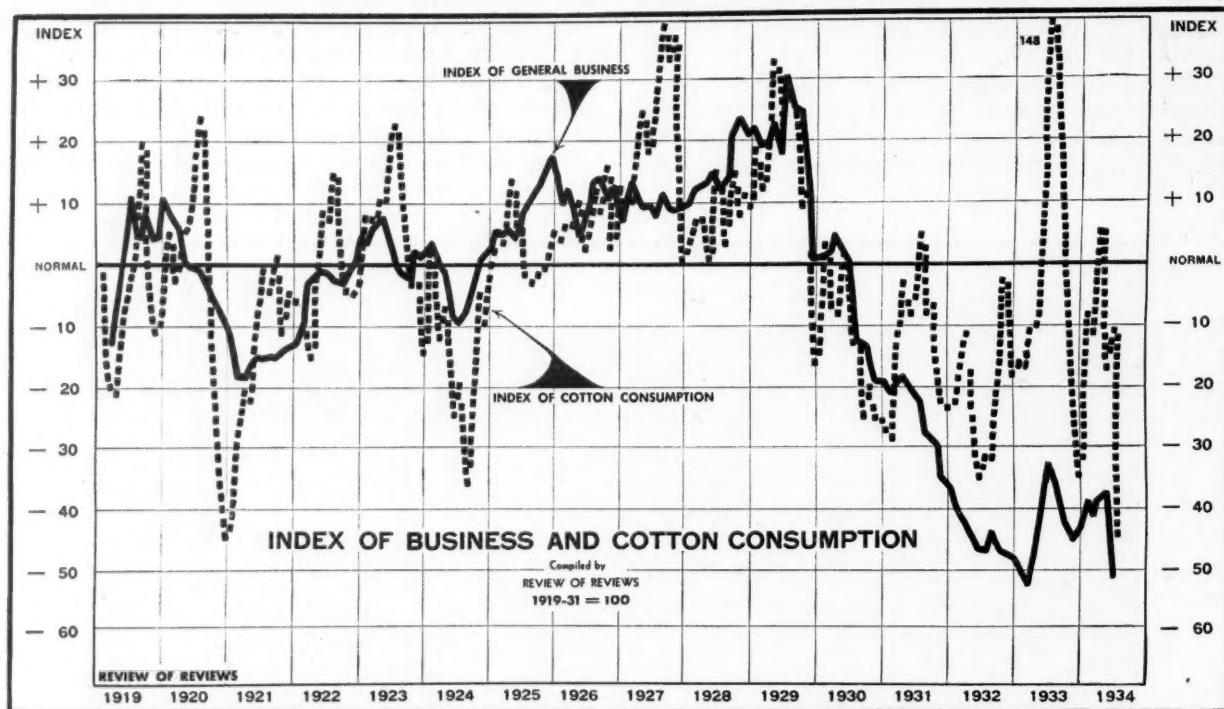
"Mass forestry" now fails to give sufficient attention or consideration to the needs of wild life in connection with clean-up work for fire hazard reduction and cultural operations. Also, too little consideration is given to the upbuilding of the forest floor in tree food materials. Instead, too severe cleaning up and burning of

tion, and ability to coöperate and lead. They have also learned that they need careful, practical, field-going planning as opposed to theoretical, overintensive paper plans. They need knowledge of administrative procedure—when to follow rules, when to question or abandon them, and when advanced technical forestry knowledge is necessary for successful reforestation. They must understand all phases of timber cultural operations, recreational development and improvement, and wild life management.

We need foresters of broad vision and keen imagination, who can meet new problems and point the way to their solutions; men with insight into the economic and social significance of the work; men who are able to devise new methods and have the courage to try what has not been tried before; men who can make a small job count in the working out of large problems; men who can see something in their work beyond their daily routine. Such men will become leaders no matter where they are placed.

Since the public is furnishing large sums to carry on this forest management and forest conservation, an important duty of the capable forester is to sell the idea of forestry to everyone, and to convince the public that the work will have much to do with its own future health, happiness, and prosperity.

THE PULSE OF BUSINESS



THIS CHART shows the Review of Reviews' index of business during the period 1919 to 1934. This composite line has declined in recent months, and is now but slightly above the low point touched in the spring of 1933. The broken line represents cotton consumption, and clearly reflects the speculative excesses of the late spring and summer in 1933, as well as the effects of recent disturbances in the industries. See the text for further comment on these two lines.

Light and Shadow in the Business Portrait

Not so long ago a certain tobacco company ran a series of advertisements whose theme line was "It is fun to be fooled". It is doubtful if any group of rational adult beings derive more pleasure from "honest" deception than American business men. It is a well meaning if not harmless mendacity of which they are the victim as often as the general public with whom they deal. These men would like to see business booming at all times and their desire reaches the point where they are persuaded that business, whether improving or not, must pretend that it is.

Evangelism Versus Analysis

The point is raised because our business line has in recent months been touching lower levels and erasing much of the gain which has occurred since the early days of 1933. Representations have been made to us, cordially and seriously mind you, that it is a public duty for this publication to do something about our business components so that the final result will be a rise instead of a decline. Intangible forces, it is claimed, exert profound influence upon business. If enterprisers feel that things are going better they will quaff courage

and take chances which they would otherwise shun.

This may be defined as the inspirational form of business analysis. There are service organizations operating on this principle which have been reporting improvement consistently throughout the past four years. It is only by noting the points from which progress is variously reported that the reader can surmise the true course of business. Curiously enough, the men who urge this emulsion of evangelism and cold analysis are the very chaps who pay from \$25 to \$200 a year for private services which tell them confidentially what the true state of the business and political world is.

An Unpleasant Duty

It is no satisfaction to report that the state of trade is not what it should be. The *Review of Reviews* monthly index of business stands at 49.9 per cent of normal for the month of September, as compared with 55.3 for August and 60.8 for September, 1933. It is well to consider the nature of this business yardstick to appreciate its advantages as well as its defects. The reader may then modify the impression which it leaves, as his own judgment suggests.

How the Index Is Built

The index is based upon statistics drawn from twenty-five fields, representing finance, distribution and production. In each case a norm, or 100, is first established. This usually is the average for the period 1919-1931. Our norm for commodity freight car loadings, for example, is the average monthly total for this thirteen-year period. This norm in some of the series is then subjected to certain adjustments.

In a series such as electric power production the field of use is constantly widening so that a part of the increase from period to period is due to growth rather than to a rise in volume of business activity. The growth factor is determined approximately by a study of the figures over a representative period of years and is then employed to correct the normal.

Furthermore, most of the industries from which the facts are taken follow a pronounced seasonal pattern. Department store sales, for example, reach their high point every December. It would not be accurate to take the sales for a given December, compare them with the average sales during the 13-year base period and conclude that business is booming. It would depend on what the rise in a particular December is when compared with the average rise for that month. Corrections allowing for this factor are termed seasonal adjustments.

Finally, there is a third type of correction. A sharp change in prices would obscure the fluctuations in physical volume. For this reason adjustment for price changes are included in such indices as bank debits,

check is presented at a bank and charged to the account of the man who has drawn it, the technical term bank debit is applied. Thus the total of bank debits outside New York City is the same as the total check transactions outside New York City.

As we go down the line we find that merchandise carloadings show little change, department store sales are up slightly, magazine advertising shows substantial improvement, rising from 49 to 64 during the year. Steel is down to 31 from 55. Average operations in September were 22.74 per cent as against 40.89 per cent in the same month of the previous year.

Cotton consumption was exactly normal a year ago, amounting to 501,000 bales. During the past month it dropped to 280,000 bales and our index stands at 56. Construction contracts for September aggregated \$110.2 million, which yields an index of 30. A year ago the figures were \$123 million and 38.

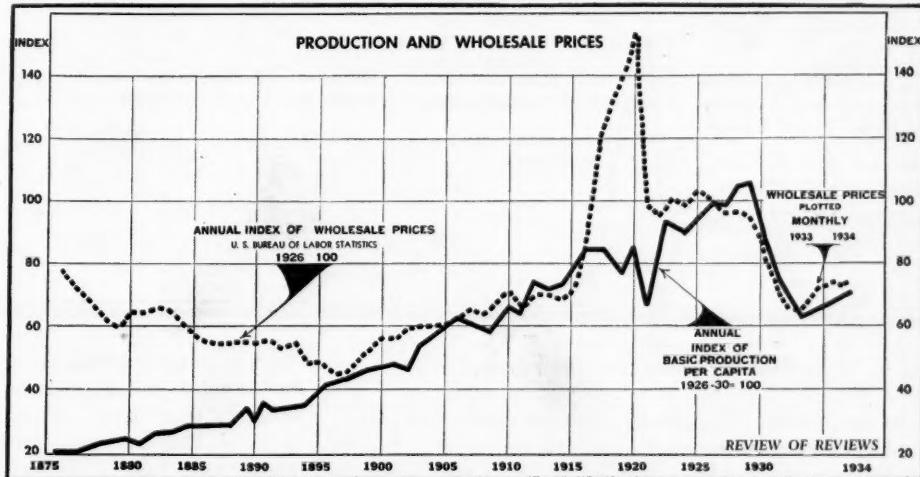
In spite of the great increase in electric refrigerators and other household appliances during the year, electric power consumption dropped from 249 million k.w.h. to 239 million. After making allowance for normally expected growth, the index drops from 76 to 69. Now this is not a pleasant picture as a whole or in its various details, for it leaves business only slightly above the low point reached during the depression.

Making Allowances

What allowances, if any, should be made in accepting this verdict? A business index labors under two very serious defects. No satisfactory way has yet been devised of including in our composite picture a statis-

WHEN PRICES RISE

This chart shows the course of wholesale prices and per capita production in United States from 1875 to 1934. These two series both affect vitally the course of American prosperity. The income of the country depends in the first instance upon the amount which its workers, aided by natural resources, equipment, and managerial direction can produce. The price line is important because its fluctuations operate alternately as stimuli and detriments to business activity. A rise in prices helps business activity and a decline tends to discourage it.



department store sales and construction contracts. The purpose of all these treatments is to provide a clearer picture of business.

Each Field Reports

Bearing these considerations in mind turn now to the facts (data to the statistician) on which our indices are based. Bond sales in September total \$286.5 million as compared with \$316.5 million in August and \$231.4 million in September, 1934. The index presents these figures respectively as 118, 149 and 95.

The index for stock sales is 13 as against 44 a year ago. Bank debits in New York City are 38 this year as compared with 45 a year ago. Debits outside New York City are 53 and 57 respectively. Whenever a

technical appraisal of agriculture. Yet in the pre-war period agriculture accounted for almost one fifth the national income and in 1929 for about one-eighth. In the prosperous twenties our indexes failed to reflect accurately the distress of the farmer even as today they respond inadequately to his recovery. How serious this omission is will be shown later.

A second defect results from an inability to include proper measures of current consumption. A large part of the nation's economic life revolves about the provisions of daily foods and services which continue rather consistently during good times as well as poor. Our great chains show excellent current progress, yet it is of a character which has resisted treatment in our statistical crucible.

GENERAL BUSINESS INDICES

FINANCIAL

	SEPTEMBER, 1934		AUGUST, 1934		JULY, 1934		SEPTEMBER, 1933		SEPTEMBER, 1932	
	Data	Index								
Bond Sales—N. Y. Stock Exch.....	\$286,500,000	118	\$316,500,000	149	\$264,600,000	105	\$231,400,000	95	\$246,200,000	100
Stock Sales—N. Y. Stock Exch. (number of shares).....	12,636,000	13	16,693,000	17	21,113,000	21	43,320,000	44	67,400,000	70
Corp. Div. and Int. Payments.....	Not available		Not available		Not available		\$392,000,000	79	\$437,000,000	87
New Corporate Security Issues.....	\$7,187,000	1	\$8,019,000	2	\$20,279,000	4	\$8,910,000	2	\$6,500,000	1
Money Rates in New York City.....	.94%	20	.94%	20	.94%	20	.84%	18	1.56%	34
Bank Debits in New York City.....	\$11,122,000,000	38	\$12,285,000,000	45	\$13,842,000,000	48	\$12,215,000,000	45	\$14,163,000,000	57
Rate of Circulation of Bank Deposits in New York City.....	1.61	37	1.79	43	2.02	45	2.02	46	2.32	53
Index of FINANCIAL ACTIVITY		26.1		30.6		31.4		38.3		51.6

DISTRIBUTION

Magazine Advertising (Agate Lines)	1,955,000	64	1,683,000	67	2,078,000	73	1,515,000	49	987,000	45
Newspaper Advertising (Lines).....	Not available		87,692,000	67	83,183,000	65	92,618,000	63	93,003,000	63
Foreign Trade	Not available		\$292,000,000	57	\$289,000,000	*60	\$307,000,000	64	\$230,000,000	51
Merchandise Carloadings (Weekly Average).....	392,000	67	383,000	66	372,000	67	395,000	68	381,000	65
Department Store Sales (Federal Reserve Index).....	76	78	79	82	73	76	70	76	70	79
Bank Debits Outside N. Y. City.....	\$12,869,000,000	53	\$13,421,000,000	*57	\$13,910,000,000	57	\$12,340,000,000	57	\$11,767,000,000	63
Rate of Circulation of Bank Deposits Outside New York City.....	1.21	72	1.28	76	1.34	76	1.37	81	1.10	65

INDEX OF DISTRIBUTION

Index of DISTRIBUTION		67.2		*68.3		68.0		67.6		63.1
PRODUCTION										
Steel Ingot Production (Capacity)	22.74%	31	22.93%	31	26.75%	38	40.89%	55	17%	24
Pig Iron Production (Average Daily Tons)	29,935	36	34,012	41	39,510	47	50,700	61	19,800	23
Domestic Cotton Consumption (Running Bales)	228,000	56	415,000	90	355,000	83	501,000	100	491,700	98
Total Construction Contracts.....	\$110,200,000	30	\$120,300,000	32	\$119,700,000	32	\$123,000,000	38	\$128,000,000	45
Electric Power Production (Kw. Hours Aver. Daily)	239,000,000	69	253,000,000	74	243,000,000	73	249,000,000	76	224,600,000	74
U. S. Automobile Production.....	** 170,000	56	*244,713	*70	*277,690	*84	190,000	63	84,100	28
Commodity Carloadings (Average Weekly)	216,000	56	222,000	59	213,000	61	240,000	63	196,000	51
Crude Oil Production (Barrels).....	73,050,000	97	76,632,000	97	79,670,000	100	76,800,000	102	65,040,000	87
Bituminous Coal Production (Tons)	27,060,000	65	28,384,000	70	25,008,000	69	29,880,000	72	26,000,000	62
Portland Cement Production (Capacity)	Not available		34.5%	40	35.7%	42	25.5%	30	36.9%	42
Boot and Shoe Production (Pairs)	Not available		Not available		27,982,000	98	30,900,000	98	33,900,000	108
Index of PRODUCTION		49.0		55.3		*60.7		64.0		52.8

INDEX OF GENERAL BUSINESS

49.9 55.4 *58.3 60.8 56.0

**Estimated

*Revised

Better Days for the Farmer

It may be well to note these two exceptions in greater detail. The farmers this year are receiving a billion dollars more than they did in 1933. Farm products have risen 82.8 per cent from the low point of March, 1933. The best post-war year of the American farmer was 1925 when he earned a net return equal to five per cent of his investment. Believe it or not but 1934 is a better year for agriculture than 1929 and is the best year since 1925. The effects are apparent in the industries dealing with the farmer. The sale of passenger cars and light trucks during the year has been booming due in part to excellent distribution in farm areas. The sale of light trucks is the best in five years. Sears Roebuck reports an increase of 15 per cent in its sales and Montgomery Ward betters the progress of its rival with an improvement of 40 per cent over the same period in the previous year.

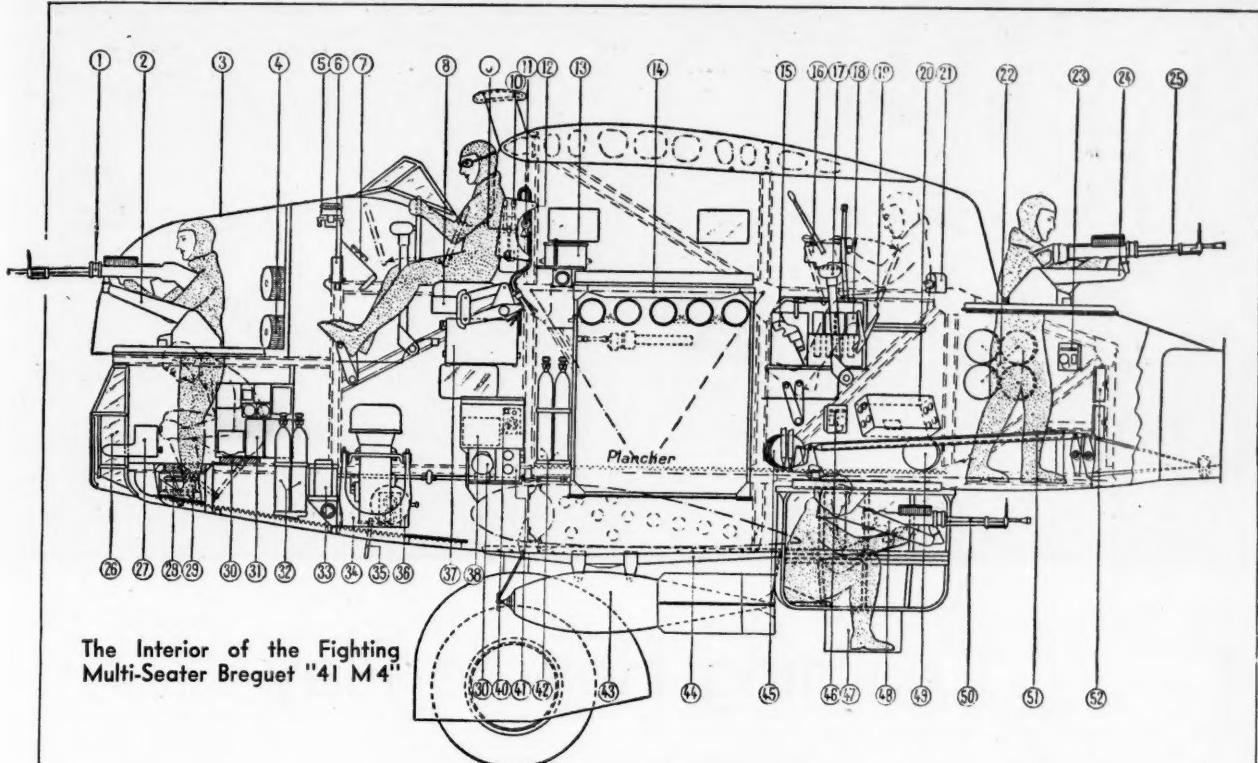
On another page in this issue will be found an analysis of our great food companies. In spite of difficulties

with processing taxes, rising raw materials and inability to pass the full burden on to the consumer, the fact remains that these companies are doing a volume of business that compares favorably with our best years. Spokesmen for this industry assert that current business statistics do not speak for them.

Other fugitive symptoms indicate that business is not as bad as the cold composite total of our own index would indicate. There has been a sharp increase of money in circulation, amounting to \$65 million for the week ending October 3rd. The Bell system reported a net gain of 60,750 telephones in use in September compared with a net gain of 54,000 in the same month last year and 10,760 in August. For the third quarter there was a net gain of 38,000 instruments as compared with a loss of 50,750 in the same period of 1933. The gain for the first nine months is even more impressive —227,000 as against a loss of 662,000 for 1933.

In view of these facts, what is a fair view of business today? For this purpose consider the figures on unemployment released by the (*Continued on page 70*)

THE NEW MILITARISM BY AIR



THE total motor power is 1300 horse power; span 67 feet; length 44 feet; maximum speed 197 miles per hour; crew, 4 men (6 fighting posts); armament, 6 machine guns. The zone protected by machine-gun fire: 90.3%.

The four men of whom the normal crew consists are shown at their posts by dotted lines, i.e. the machine-gun marksman, the pilot, the ground marksman and the rear machine-gun marksman. The lines of dashes show the different work of two of these men, the one being used as a mechanic and reserve pilot while the other serves the bombing apparatus.

The technical grouping of the crew of the Breguet 41 M 4 is particularly remarkable in the case of the front machine-gun marksman and the pilot, who when attacking work hand in hand.

- | | | |
|---|--------------------------------|-----------------------------------|
| 1 Twin machine-gun. | 18 Very light. | 36 Aerial wheel. |
| 2 T. O. 10 turnstile. | 19 Motor control. | 37 Wireless transmitter. |
| 3 Revolving cupola of the turnstile. | 20 Wireless receiver. | 38 Wireless switchboard. |
| 4 Drums. | 21 Starting magneto. | 39 Transformer. |
| 5 Pilot's compass. | 22 Drums. | 40 Change-over cock. |
| 6 Breathing apparatus. | 23 Breathing apparatus. | 41 Variometer. |
| 7 Motor control. | 24 T. O. 10 turnstile. | 42 Oxygen flasks. |
| 8 Adjustable pilot's seat. | 25 Rear twin machine-gun. | 43 441 lbs. of bombs. |
| 9 Auxiliary control for bomb-throwing device 10 x 50. | 26 Sight window. | 44 Throwing device for bombs. |
| 10 Control lever for flare bombs. | 27 Sight. | 45 Drums. |
| 11 Hearing apparatus. | 28 Captain's seat, let down. | 46 Breathing apparatus. |
| 12 Adjustable back rest. | 29 Captain's compass. | 47 Collapsible foot-rests. |
| 13 Hand chamber. | 30 Captain's seat. | 48 T. O. 10 turnstile, suspended. |
| 14 Beams for suspending stores 10 x 50. | 31 Captain's instrument board. | 49 Drums. |
| 15 Very pistol. | 32 Oxygen flasks. | 50 Twin machine-guns. |
| 16 Viet starter. | 33 Accumulator box. | 51 Flight control. |
| 17 Control column for reserve pilot. | 34 Photographic equipment. | 52 Drums. |
| | 35 Aerial tube. | |

THE "NEXT WAR" will be aero-chemical, according to military experts; and England, which is putting through a vast aviation program, has declared that her new frontier is on the Rhine. Balloons were used in our Civil War and in the Franco-Prussian conflict of 1870, but the World War introduced flying as a specialized martial art. Today, in approximate figures, the leading world powers have the following airplane strengths: France, 4500; Russia, 4000; England, 2400; Italy, 1500 (including highly developed seaplanes); Japan, 3000; and the United States, 4000. Germany is forbidden military aircraft by the Ver-

sailles treaty (1919), but her secret preparations under the able Air Minister Goering are believed to have gone far toward "preparation". German *Lufthansa* is considered the finest commercial airline in Europe. Dirigible balloons, a la Zeppelin, have lost much of their erstwhile military popularity; and heavier-than-air machines are yearly increasing in destructive efficiency. France is the leading air-power today, although in the World War she was inferior to Germany.

Some 22 famous firms turn out ultra-powerful French fighting planes of recent design. Their specifications indicate the hideous nature of another war.



Ewing Galloway



H. Armstrong Roberts

Learning How to Play

By JO CHAMBERLIN

HUMAN BEINGS have never forgotten the fact that when Adam was cast out of the Garden of Eden he was condemned to a lifetime of labor. For countless generations we have endeavored to atone for Adam's slip, and we have never quite lost the feeling that to leave the plow or loom and frolic in the fields was not quite proper.

It took ten thousand years for us to overcome the idea that the devil found work for idle hands to do. Ten thousand years, and a depression. Where is the man or woman among us who has not been lectured since cradlehood on the nobility of toil, the character-building qualities of hard work, and the downright sinfulness of lying under a tree and listening to the birds sing?

The New Code for Loafing

There was good reason for all this. Adam, for example, had to build himself a house outside the Garden, clothe his family, and lay in supplies for the winter. Such hard work was necessary to exist on the banks of the Euphrates and still is, to a considerable degree, on the banks of the Wabash. But today we need not labor the point that technology has changed things tremendously. The descendants whom Adam begat find

themselves in an age when the work of the world can be done for them in large measure by machines. For the first time in history the common man has time on his hands. It is not surprising that he does not know what to do with it. Why should he?

The depression has also played its part in influencing the public mind by overturning traditional patterns toward social and financial advancement. It is difficult for a young man to plug away in a departmental job when he knows that a radio crooner, whose sad notes sway the hearts of a million females, gets two thousand a week for singing ten minutes a day and practising five. Or, coming closer home, what has his father to show for years of effort? A bank balance, a home for his family, and a fine case of high blood pressure because he never had time to exercise or rest.

This new state of affairs did not come about all at once, of course. We gradually woke up to what had been going on for a century. The new leisure was in many cases a bitter leisure which had no joy in it. All leisure was worse than none.

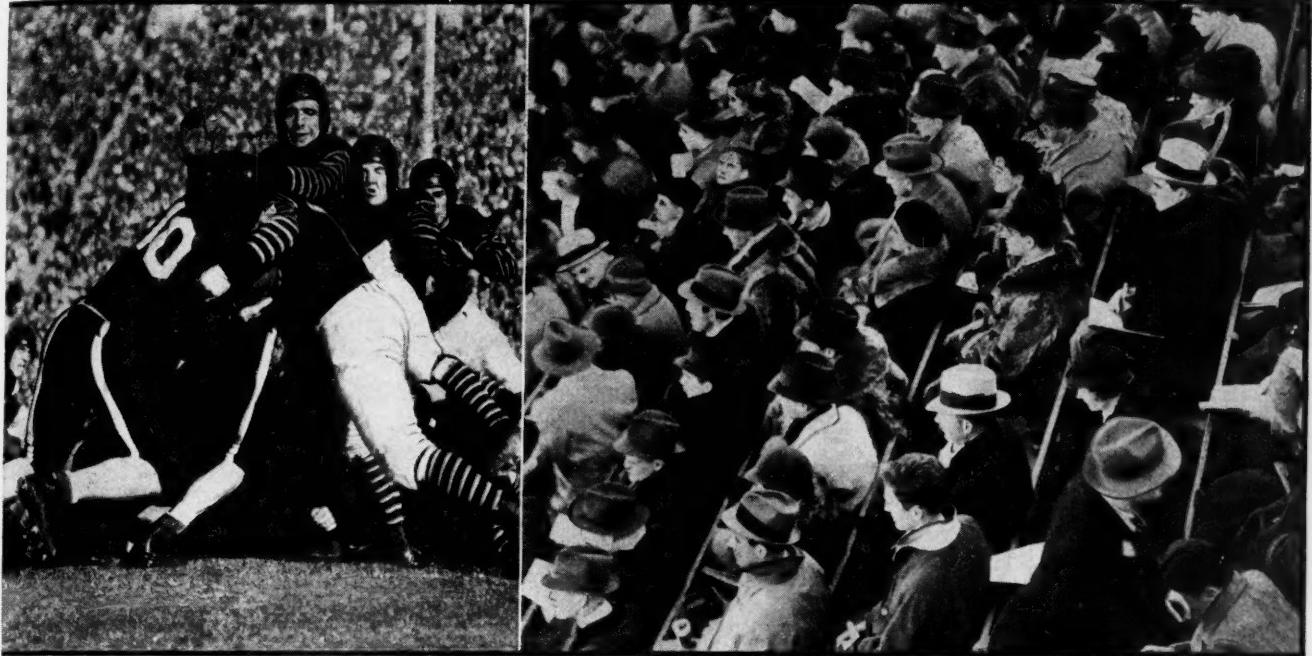
The Song of the Shirt

Everyone knows that working hours have been reduced over the years, but few know just how much.

A hundred years ago men worked in the mills and the fields from dawn till dark. There are countless instances of 16-hour days and no Sundays off. It was not a question of how the workers stood



THE GRADUAL reduction in working hours means more recreation for millions of our citizens. Here are some notes on the things people do now in their leisure time, and some comments on what benefits we may look for in the future.



R. I. Nesmith and Associates

SWIMMING is perhaps the most popular of sports for all ages. Skiing is coming into greater popularity among amateurs where the climate permits. Among the spectator sports, football leads. The old accusation that Americans take their exercise sitting down no longer holds, and the portion of our population taking part in recreational athletics is increasing.

it, but how long they could stand it. The 12-hour day prevailed. By 1840 the 10-hour day was established in a few lines, although most farm and factory workers labored far longer.

It was in protest against the working conditions of the time in Great Britain that Thomas Hood in 1843 wrote his famous "Song of the Shirt":

Work! work! work!
While the cock is crowing aloof!
And work—work—work.
Till the stars shine through the roof!

The 8-hour movement began in the United States in the 1860's although it was not until the World War that it was generally established. During the past fifty years it would be fair to say that the normal work week in American industry has decreased 20 hours. More recently 48 hours have been giving away to 40, and in a few lines the 30-hour week is already in operation. What does it all mean?

Well, for one thing, it means that we have more leisure. It takes us about the same time to eat, sleep, shave, powder our noses, or comb our rapidly disappearing hair as before. Most everything else has been speeded up. Thus we have more time in which to be amused or to improve our minds.

Not quite all of us. Depression has seen to it that the work-pressure has increased. Jobs have been consolidated, particularly those which have mental rather than mechanical limitations. Bill Green's unions have arranged that their men shall paint only so many square feet per day, and that their bricklayers shall lay so many bricks. The white collar crowd are not so lucky. Doctors cannot limit themselves to twenty calls a day,

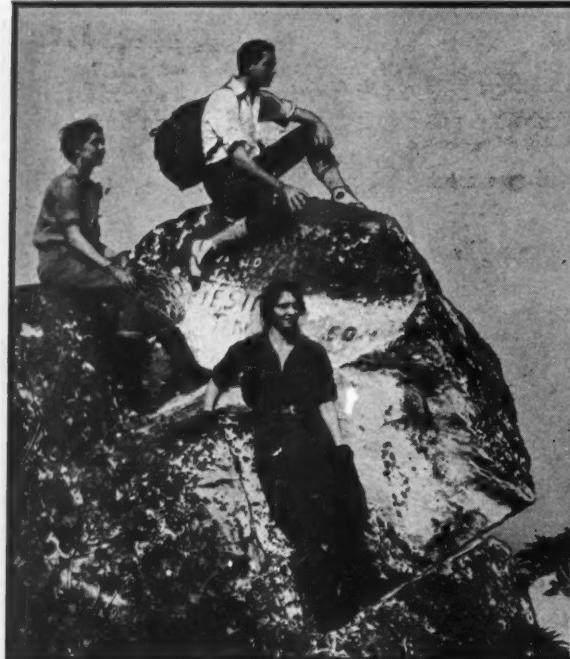
or editors to a thousand thoughts. The "stretch-out" is not at all peculiar to the textile industry. Our nights and week-ends are not free from business worries, and being more fatigued, it takes us longer to catch up. So, we haven't quite as much extra time as we might think.

Where Your Time Goes

People who have put a stop watch on our movements have some interesting things to say about what we do with our time. The average person's day is divided into three parts: eight hours sleep, eight hours work, and eight hours of mixed routine, including eating, dressing, traveling, and the like. Of this last eight hours, about four or five are free for most people. Or, to put things on a weekly basis, the seven-day week totals 168 hours. Of this about 40 hours are devoted to work, 56 to sleep, 24 to eating and hygienic pursuits, 8 to transportation, and 40 hours remain. It is interesting to note that on a yearly basis we work on more days than did the Romans. According to C. D. Burns, a student of labor, they had more free days than we have today. The Egyptians and Athenians averaged from 50 to 60 per year, not far under our average of 85, which includes Saturday half-holidays, holidays, and Sundays.

A large number of surveys have been made to find out what people do with this spare time. The National Recreation Association made one some months ago, in which 5,000 persons explained what they did with it and what they would like to do with it. Here are the ten things done by the most persons in the group, in their own order of preference:

1. Newspaper and magazine reading.
2. Listening to radio programs.
3. Attending the movies.
4. Visiting friends or entertaining.
5. Reading fiction of all types.
6. Automobile pleasure riding.
7. Swimming.
8. Writing letters.



H. Armstrong Roberts



9. Reading non-fiction books.
10. Conversing with friends.

All but three of these activities are carried on in the home. The home has staged a great comeback; but apparently people would like to get outdoors just as soon as possible. The ten unmet desires which the group listed first are largely outdoor activities:

1. Tennis.
2. Swimming.
3. Boating.
4. Golf.
5. Camping.
6. Gardening.
7. Playing musical instruments.
8. Auto riding.
9. Attending legitimate theater.
10. Ice skating.

Another survey was made of the leisure time activities of a representative thousand business girls. A check was made of the activities they were interested in and those they actually participated in. In no case did participation measure up to interest, allowing for a possible lack of opportunity. The young business women were like most of us; they put down the things they were interested in and the things they thought they *ought* to be interested in. This does not indicate that there was no healthy desire for vocational or cultural self-improvement, for it did exist. It does indicate that such pursuits are but the smaller part of the leisure time picture. The young women may well have observed that the person who worked day and night to become boss often became a bore as well.

We Must Not Expect Too Much

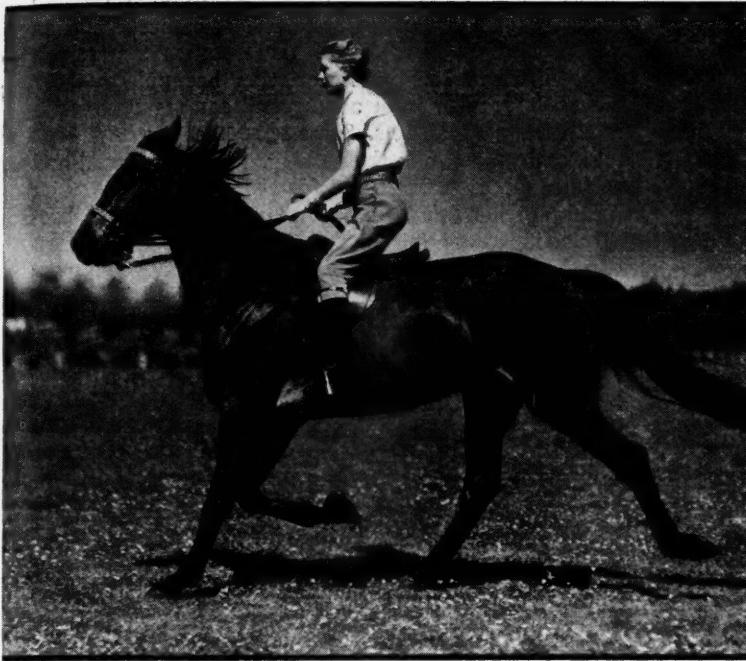
This writer has heard the promises of cultural millenniums which were to follow this or that new invention. Radio broadcasting, for example, was going to usher in a new era of music appreciation, a wider knowledge of

current affairs, and a broader understanding of the world in general. But what Secretary Ickes recently said of radio for political education could be fairly applied to radio education in general: "While it has only scratched the surface, it has tremendous possibilities". The broadcasters would probably reply that they have learned that a little culture will go a long way with the public.

The conclusions one reaches, after a study of available data on what people do now with their spare time, are these: that the leisure of the vast majority of our fellow citizens is spent on purely recreational pursuits, and will be for some time to come; upon games and sports of both the spectator and participating variety, upon amusements such as the movies, which both men and women can enjoy; upon travel, especially touring by automobile; and upon the outdoor life in general.

While such spectator amusements as the films and the radio seem to be most widely enjoyed, judging by numbers, the cost of equipment and expenditures would indicate that participating games and sports are in the lead. This is a far cry from a generation ago, when a man's spare time was restricted to reading newspapers, playing Kelly pool, or sitting in the ball park. Women could walk in the park, converse on the porch, or in summer go bathing at the shore in balloon-like suits.

Some idea of how games and sports have gained in recent years may be seen in the increase in the facilities provided. The park acreage in cities over 30,000 has more than doubled in the past twenty-five years. Public playgrounds have increased several times in number in the same period. The state and national parks which provide for hunting, riding, camping, fishing and the like have seen a huge increase in patronage. The number of visitors increased thirteen-fold from 1910 to 1930. Beaches have become more numerous. In Chicago, for example, the number of beaches has increased six-fold since 1905. The number of golf courses in the country has also increased several times over since the war, and tennis courts are universal.



Ewing Galloway



H. Armstrong Roberts

Those Gregarious Americans

In addition there is a greatly increased interest in organizations of non-athletic type, such as study clubs, handicraft clubs, hobby clubs, associations, societies, community centers, and institutional groups. Politics, municipal affairs, welfare, the arts—these are but a few of the aims represented. A glance at the heading "associations" or "clubs" in the classified section of any telephone book will indicate the tremendous increase in such organizations. The fact is that while hard times have put many organizations on the inactive or retired list, new ones have sprung up to take their place.

There has been a notable increase in recent years in the number and variety of commercial recreations and amusements. The Motion Picture Producers and Distributors of America estimate that from 65 to 90 million people now attend the movies every week. In fourteen years radio has come to the place where there are estimated to be 17,500,000 radio families in these United States. Other commercial amusements such as bowling, ballroom dancing, and cabarets have more or less held their own. So, it appears that when people have more time on their hands, they are likely to do with it as they did before—unless new outlets are furnished them.

The public recreational agencies of the country have held their own against depression. Their reports show it. In recent months emergency federal funds have come to the rescue of private and public agencies which needed help. It is to be expected that when normal times come round again, truly recreational activities will play an increasing part in our lives.

Pleasure Made to Measure

One thing has been determined upon by leaders in this field; that recreation must be kept on a strictly voluntary basis or it loses any meaning. Administrators learned this long ago. No high-pressure salesmanship will be necessary to make the country "leisure conscious". There will be offered, however, opportunities of

MOUNTAIN climbing and hiking are recreations followed by millions. There is an exodus every weekend from our large cities by people tired of steel and stone, smoke and soot. During the past three years there has been a large increase in the number of people pursuing home handicrafts, building things and making things. The man painting a dog is Vernon Grant, a commercial artist who enjoys wood working in his leisure time. Golf maintains the interest of an increasing number, and the horse has staged a remarkable comeback in a mechanical age.

the widest variety for those who desire them. If a lad wishes to learn to build furniture, he will have tools and instruction. If a group of girls want to become amateur Ethel Barrymores, they will be given theatrical gauze and a few scripts, and they can emote to their heart's content. And if here and there among the multitude is some bright-eyed lad who wants to study, the same rules apply.

There is no reason why a knowledge of the arts or sciences needs be dull; it is usually a matter of presentation and approach, as any teacher knows. For example, a case worker in New York's lower East Side organized a class in English by promising an Italian mother that she would be able to write to her daughter, by assuring an elderly German Jew that he could read English newspapers for "company", and so on. Self interest and self-expression are the passwords to interest anywhere.

Life Begins At Any Age

Adult education is the term usually applied to advancing one's knowledge after school days. It is a subject not at all new, but one which has received organized attention in comparatively recent years. Human beings of all ages are learning new tricks. Parents are revolting against the dominance of their children, and are sturdily determined to lead their own lives!

The American Association for Adult Education, which acts as a clearing house in such matters, lists some four hundred organizations which are carrying on systematic adult education work, and half of these are national

in scope. With no hope that we shall become a nation of Einsteins, Michelangelos, and Edisons, more opportunities are being provided for those smart enough to make use of them. Perhaps in some dim and distant future no citizen will include among his constitutional rights the right to be dull.

In earlier days education for adults was largely carried on by the lyceums or lecture courses which were started as early as 1826. By 1834 the movement had spread until there were 3,000 lyceum groups in the country. Some of our most distinguished men in the arts and sciences delivered their messages to the people from the lecture platform. It seems "only yesterday" that Colonel Robert G. Ingersoll, William Jennings Bryan, and Senator Albert J. Beveridge were thrilling audiences from coast to coast. The chautauqua tent has well-nigh disappeared as a result of radio, but it was not so many years ago that the rising of the brown canvas on the school lot brought a thrill and a promise to hundreds of communities. Today these efforts are being carried on a much wider scale through other channels.

Dr. Butler's Bon Mot

Not long ago Nicholas Murray Butler remarked that many people ought to have carved on their tombstones: "Dead at 30, buried at 60". Within the past few years the universities have endeavored to remedy this intellectual stigma attached to the average alumnus. Extension work is now being carried on among their graduates by a hundred colleges and universities. Some of this work is carried on by mail, such as the furnishing of reading lists, bibliographies, and the like. The University of Michigan has published many such lists. In other instances lecturers speak to groups of graduates in nearby town and cities. One of the newest ideas is that of the short-term "alumni university", held once a year, usually at commencement time. Psychology, art, education, economics, foreign affairs—these are a few of the subjects discussed. Instead of getting slightly squiffy, swapping anecdotes and parading in trick regalia, quite a few sons and daughters of alma mater are absorbing new ideas. Attendance ranges from 50 to 500 at these meetings and they may last from a weekend to a week. The idea is growing.

Long before the colleges and universities thought it was dignified to teach by mail, the private correspondence schools were helping adults who could not go to college and would not fit in if they did. Vocational training has prevailed among the correspondence schools, yet these institutions now include a variety of departments. In the vast majority of cases the quality of instruction has been high. In 1931 there were some 500,000 students enrolled in fifty major institutions. Their influence is wide and beneficial. A number of fraternal organizations and professional societies have long carried on educational work by mail.

The Libraries Step Out

The public libraries continue to broaden their adult educational programs despite slashed budgets. The New York Public Library's fund for new circulating books has been cut three-quarters. Other libraries have suffered likewise, yet the number of people using them continues to increase. Men and women, bruised by hard times, have turned to the libraries for guidance and

help. The personnel has been glad to help through reader's advisory services, through reference facilities, and through publications of the libraries themselves. The American Library Association has published 67 different "reading with a purpose" courses covering a wide variety of subjects. Some 800,000 copies have been sold, and more are in the making. Both vocational and cultural guidance is on tap for the asking.

Despite the intellectual poverty of many radio programs, it is only fair to say that a substantial educational work is being carried on over the air. The main stumbling blocks, as in earlier days, are technique and the fact that commercial programs get the pick of listening hours. Some forty colleges and universities have regular radio programs and the college is rare whose teachers do not at some time or other go in front of the "mike". In addition, some forty-five public service organizations utilize the radio, and most stations carry sustaining educational programs of one sort or another. Yet, as has already been pointed out, the surface has barely been scratched.

At the present time some 30,000,000 people visit the larger museums of the country each year. In addition to the 325 major institutions, there are some 400 historic house museums, 350 small museums, and 500 teaching museums in colleges. Most of these are carrying on effective educational programs of adult education.

In the past two or three years there has been a tremendous increase in the number of men and women studying various arts and crafts. The federal government's emergency program, the art associations, the museums, clubs—all are helping people to escape boredom and to find new interests in life through the arts. Three times as many people today are studying arts and crafts in amateur groups as there were three years ago, and most of them are learning by doing. In these groups are large numbers of young men and women not long out of college.

One of the amusing facts brought out in leisure time studies is that a large number of people like to take a busman's holiday. They like to do essentially the same things in their free time that they do during working hours. Among those who have laughed at the old story of the sailors rowing in Central Park lake during shore leave may be included accountants who grapple at night with higher mathematics, engineers who tinker with radio sets, and chemists who fuss around home laboratories.

Hobbies for All of Us

A good many of us find an outlet for spare time energies in a hobby of some sort. Most of us do not anticipate any sudden relaxation of our business or professional burdens. We are likely to be "chained" to our desks for some time to come. It is fortunate that most hobbies combine, as the sports writers would put it, both brain and brawn. Collecting, for example, requires a sturdy pair of legs as well as a keen eye.

Any person of average intelligence will have several hobbies to interest and intrigue him when everything else bores him. The man who rides a hobby horse stands out from the crowd. It does not bother him quite so much that all around him is not sweetness and light, for he can ride faster and see farther. It is encouraging that in these chaotic times there are more and more like him every day.

The South Awakens

By FANNING HEARON

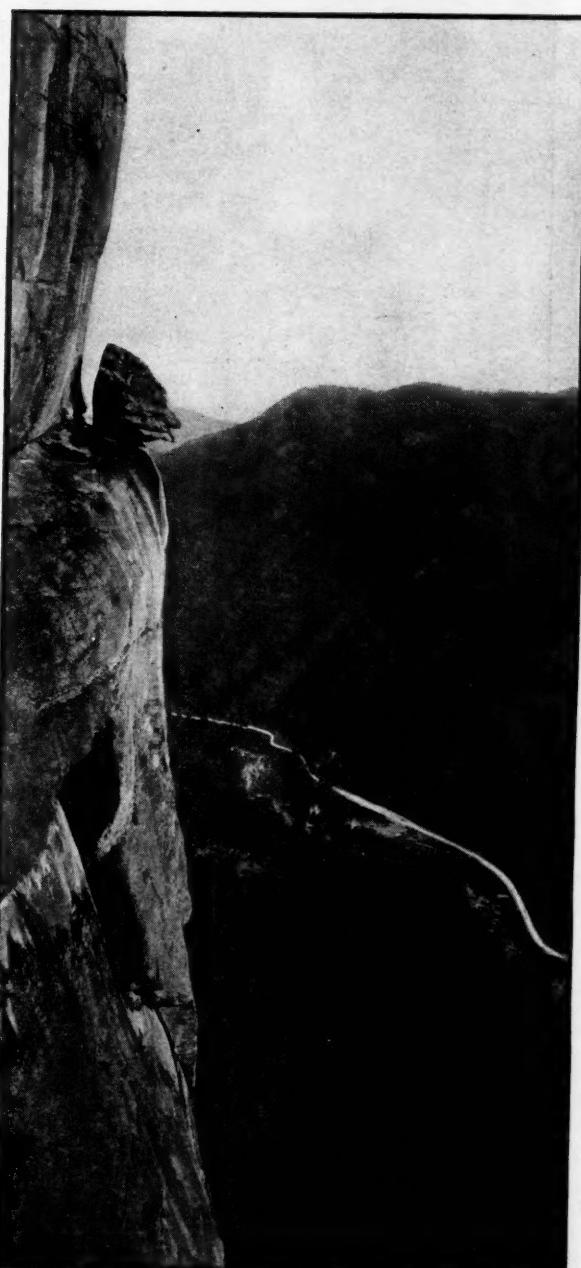
Of the National Park Service

MARKED gloriously with places of natural beauty that cry out for development into recreational areas, and grown over with fortunes in timber that have become legend with the white columns that stand back in the wisteria, the South in all probability had come upon no full realization of these simple, evident facts until little more than a year ago.

Abundance, conservation, and appreciation are strangers to each other. And the abundance of beauty and value in the South's natural covering has been beyond the conception of those who have not seen the smoothness of her valleys, the rugged strength of her mountains, the dripping gray of the oaks and moss in the coast country, and the endless stretches of white beaches upon which man may drive his car, but upon which as yet few men have even bothered to look.

Since Jamestown, the South has neglected herself and given herself over to exploitation by others. It is difficult to say which has wrought the most havoc; nor does it matter. Neglect, largely through a one-crop system of growing nothing but cotton for cash, has sucked the life from her soil and left it to erode away with the rains and make plantations under the sea.

Exploitation through an almost wanton slashing down of her most valuable tree, the towering longleaf pine, and tapping it for resin to make turpentine has laid bare spots that once were twilight at noon. Turkeys strutted up and down the winding sand roads and scratched in the needles, and deer lifted their white flags and sailed over the palmetto stubble. Where these straight brown giants still stick their green tufts into the sun, turkeys and quail and deer live and multiply in such rank abundance that those able to afford the happiest



DEVIL'S HEAD in the Hickory Nut Gap region near Asheville, North Carolina, is one of the most beautiful points in the South. Similar beauty spots in the Southern states are now being taken over by the Federal and State governments to preserve them for the pleasure and enjoyment of future generations.

hunting ground have chosen the coastal Southeast.

Because the immediate natural beauty of the place was impressive to a point of sanctity and because the visitors gasped about it so loudly in the presence of the natives, there have always been spots in the South conscious of conservation. Some things can become so beautiful that no man can tear them down.

The best known of such localities are in the mountains of east Tennessee, western North Carolina, and central and eastern West Virginia; the green velvet of Virginia from Warrenton across to Winchester and down through the Southwest; the grass and white-railed track fences of Kentucky and Maryland; the tropical playgrounds of Florida, and the opiate glory of the azaleas and magnolias of the South Carolina Low Country.

And even these have been exploited. The subdividers and boomers have been there. On the North Carolina slopes and in the Florida sand, toads hop along buckled, weed-grown sidewalks and lizards pant and sun themselves on blistered bungalow porches. A million-dollar, half-finished monument to it all stands on a high place near Hendersonville, N. C., so all who took \$200 options on \$4 acreage may look at it forever more: a Times Square hotel crying in the wilderness. It is an object lesson which will not soon be forgotten.

Such has been the conservation-recreation program in the South; the passive contentment of the natives to save and look at the things which those from the outside say are so pretty, and the feverish antics of the promoters. Meantime, her game is shot down for fun and her fish seined out to polish off an all day singing on the river-bank, her forests burned every season through carelessness, or

hacked down and sent through the mill.

Now come conservation and recreation in what are undoubtedly the most extensive forms they have taken—direct results of the President's recovery program. It was the perfect time to strike, the natural hour. The South, like all the rest, had exploited her natural and financial resources. She was on the wheel. The suggestion to save and not destroy lifted her up as if she were a frightened child.

The suggestion went further: You of the South not only have things of natural beauty to save; you have things to develop and enjoy. You should have State Parks—many of them. There must be State-owned land. There must be acreage suitable for timber and game conservation; trails, bridges, cabins, and lakes. It will be developed, but you must provide it.

And she did!

Virginia, whose Commission on Conservation and Development has been trying to tell the people about forestry conservation since 1914, moved into action. With the beginning of the third CCC enrolment period, April 1, 1934, she had acreage in her own name warranting the development of 8 State Parks with 15 CCC companies assigned to the projects.

West Virginia, whose Kanawha River gorge reminds travelers of the Alps, surprised even her own people by securing immediately land for four State Parks and much more for forestry and game preserves. Parks were a new thing in West Virginia, though she has had what she calls public reservations for years.

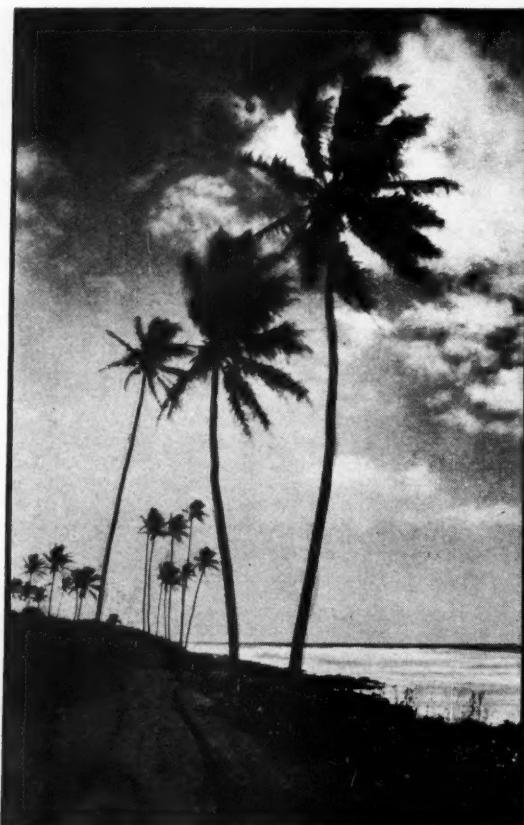
Tennessee and Alabama, held up to the world by mention of Tennessee Valley Authority, drew many a CCC camp for forestry and erosion work, and five of these have been taken over for park development, with four more in prospect. Two are at Muscle Shoals and one at Wheeler Dam in Alabama, and two are stationed near Norris Dam, 22 miles north of Knoxville in Tennessee. Alabama, with her mountains and her unknown beach country below Mobile, has six other State Park projects.

South Carolina, Georgia, and Mississippi offer for park development types of timberland and coast country no other State produces, unless it be Louisiana. The South Carolina Low Country is as historic as the Old South itself, and there will be a park there near high-born Charleston, called Edisto; and one northward at famed Myrtle Beach, and others. Georgia has done as well, offering six projects, among them Pine Mountain State Park, overlooking the waters of the now famous Warm Springs. Mississippi has also done well, having secured four tracts for development.

Maryland, talking about forestry since 1906, broke into the picture when the third CCC period began with two parks, one of them that fine old veteran of three wars, Fort Frederick, which is

being restored and rededicated. Kentucky, keenly aware of the value of developed nature from generations of looking across her quarter stretches and along her rock walls and rail fences, was unable to do a great deal more than create a State Park Commission in 1924 and start a program. And she has been rewarded, presenting now seven State Park projects.

However many she may have let go by, sitting there in all her magnificent abundance of beauty and peace and quiet, this is one opportunity the South seized by the nape of the neck.



Buckingham Photo

PALM TREES are the eternal trade-marks of Florida. The everglade wild life and strange phenomena of this tropical commonwealth are being protected and developed under competent supervision.

Father Knickerbocker's Village

NEW YORK'S number 1 low-cost housing project, Knickerbocker Village, was dedicated in October with speeches, fanfare and appropriate strains of the well-known "Sidewalks of New York". Al Smith, who had known the Cherry Street neighborhood since he was a lad, made a speech, and Jesse Jones, head of the RFC, declared that the \$10,000,000 project was but one of many for the larger cities of the country. It was a great day for the East Side.

Knickerbocker Village has been two years in the making, and was financed 85 per cent with government funds. The two building units are 12 stories in height and contain 800 apartments each. They have automatic elevators, enclosed

radiators, electric refrigeration, and are modern in every way. They rent at \$12.50 per room. The unit now ready for occupancy is 98 per cent rented, while the uncompleted unit is 50 per cent rented. Foundation problems and a severe winter caused the delay in the second unit.

The new apartment project has group facilities such as game rooms, and the like. Every apartment faces a garden area or upon a street, thus assuring light and air. This in contrast with the neighboring tenements, built from fifty to seventy-five years ago.

Knickerbocker Village is located on the Lower East Side, in the area bound by Catharine, Monroe, Market and Cherry Streets. This neighborhood is representative of many other sections of New York in that a majority of its people live in buildings which are obsolete, lacking in modern heating or sanitary conveniences, and unfit, according to present day standards, for family life.

The usual hindrance to private enterprise in such projects is the high cost of the land which puts the rentals beyond the means of the people who most need model apartments. A number of agencies combined to make Knickerbocker Village possible; the RFC provided the funds, the New York State Housing Law the means, and the city of New York limited the taxation to the cost of the land.

\$9,000,000

Twenty years ago Mexico began to build a vast National Place of Fine Arts which would include a sumptuous theatre, concert hall and art gallery, and which would be a center of Mexican culture for many years to come. The theatre has just now been completed, some \$9,000,000 having been spent by the government already.

In October the new theatre opened, with visiting diplomats, film stars, and other dignitaries. Although the building itself is constructed on a monumental scale, the dedication was of, by and for the people. A mixed chorus of 700 men and women in working clothes sang "The Ballad of the Revolution" and a 100 piece orchestra played "The Proletarian Symphony" by Carlos Chavez.

The one discordant note in the dedication was the fact that 200 deputies refused to sit in the theatre because each had not been furnished with enough seats for his family. The theatre seats 2,000 persons. Later, however, the ruffled deputies told the authorities what they thought of this "disrespect" and the dedication went off without further hitch. After the opening ceremonies President Abelardo Rodriguez conducted guests on a tour of the buildings' many art galleries and salons. The new theatre will present theatrical and musical features on an extensive scale for a great many years to come.

• • The March of Events • •

Assassination

Once again, as in 1914, Central Europe becomes a powder barrel by way of an assassin's bullet.

MUSSOLINI, speaking to 300,000 persons in Milan (October 6), reviews Italy's relations with her neighbors, stressing improved relations with France, and in particular inviting an understanding with Jugoslavia on condition that Jugoslavia cease casting doubt upon the valor and bravery of the Italian army.

ALEXANDER I, Serb king of the Kingdom of the Serbs, Croats, and Slovenes, is assassinated by a Croat at Marseilles (October 9) after landing from a naval vessel, en route to Paris on a mission of goodwill. Louis Barthou, French Foreign Minister, is also killed. The assassin jumps on the running-board of the royal automobile, firing a pistol at short range. He loses his own life at the hands of police and mob. The Dictator-King had escaped four attempts at assassination since 1916, all bombing affairs.

PETER II, eleven-year-old son of Alexander, arrives home from school in London (October 12) to become King of Jugoslavia under a regency of three, headed by Prince Paul, cousin of the late king.

Spain in Revolt

A cabinet falls . . . and the make-up of its successor brings on a revolution.

SPAIN'S Premier, Ricardo Samper Ibanez, resigns as the Cortes reassembles (October 1) after a three-months recess. The Catholic "Popular Action" party had withdrawn its support. It was the tenth cabinet in Spain since the republic was born in April, 1931.

A REVOLT in protest against the new cabinet of Premier Alejandro Lerroux, which includes three "Popular Actionists", takes the form of a general strike followed first by rioting and then by martial law (October 5). Centers of disturbance are Madrid and the northern provinces of Catalonia and Asturias.

THE government at Madrid (October 7) claims to have the revolt under control, the army and navy remaining loyal. In Barcelona, capital of Catalonia, which had declared its independence, the local officials are imprisoned.

NRA Made Over

The one-man rule of General Johnson comes to an end, while the system itself is under fire.

A COMMITTEE of the Chamber of Commerce of the U. S. recommends (September 22) that the National Re-

covey Act shall not be extended after its expiration on June 16; that new legislation apply only to business engaged in interstate commerce, with codes being enforced only among signers and provision for minority representation in collective bargaining.

CALLING-OFF the textile strike (September 22), the strike committee of Francis J. Gorman pays its respects to NRA, hitherto considered Labor's best friend: "Our strike has torn apart the whole unjust structure of NRA, lifting a load from all labor as well as from ourselves."

HUGH S. JOHNSON, National Recovery Administrator from the beginning, and a principal author of the NIRA itself, resigns his office (September 25). "Reorganization of NRA," he says, "is momentarily more urgent"; and his own job, "as reorganized, seems altogether superfluous."

THE PRESIDENT moves to reorganize NRA (September 27) by appointing two boards, one to formulate policy and the other to execute.

His policy board is a revamped Industrial Emergency Committee, to be di-

rected by Donald R. Richberg and including Secretary Ickes, Secretary Perkins, Agricultural Administrator Davis, Relief Administrator Hopkins, and the new chairman of the National Recovery Administration.

As executive head of NRA, succeeding the one-man rule of General Johnson, the President names a board of five members: two business men, S. Clay Williams (later chosen chairman), lawyer head of the R. J. Reynolds Tobacco Company, and Arthur D. Whiteside, president of Dun & Bradstreet, Inc.; two college professors, Walton H. Hamilton of Yale and Leon C. Marshall of Johns Hopkins; and Sidney Hillman, labor leader.

IN A "fireside" radio talk to the people (September 30), President Roosevelt declares that "trades and industries covering 90 per cent of all industrial employees have adopted codes of fair competition." The gains, as a whole, have been substantial, he adds; nevertheless it is time to review such devices as price fixing and limitation of production, in the light of experience.

DONALD RICHBURG makes his first statement of NRA policy (October 4). His remarks are widely interpreted as forecasting a gradual abandonment of attempts at price fixing and production control. Complications and difficulties in NRA administration to date he blames upon business men, now disillusioned, rather than upon Government theorists.

The New Deal Enters the Courts

An act of Congress and a code provision meet with judicial disapproval.

THE FARM mortgage moratorium provisions of the Frazier-Lemke Act of June 1934 are declared unconstitutional (September 19) by Judge W. Calvin Chestnut in the U. S. District Court at Baltimore. The sections criticized permit a debtor to retain possession of mortgaged property for six months without any return to the creditor, and for five years thereafter with payment of rental only.

A FEDERAL judge at Memphis, Harry B. Anderson, decides (October 6) that price-fixing is not a part of the National Industrial Recovery Act, and grants an injunction to southern lumbermen threatened with prosecution by NRA for selling below prices fixed by the lumber code.

THE U. S. Supreme Court agrees (October 8) to pass upon the right of a holder of a gold-clause railroad bond to receive payment in gold upon maturity, and also to pass upon the oil production-control provisions of the petroleum code.



KING PETER II

Jugoslavia's new king, who succeeds his father, Alexander I, the victim of an assassin.

Labor

The President proposes a truce. . . . Labor demands a 30-hour week.

IN A RADIO talk to the country (September 30) the President recounts New Deal gains for trade and industry. Since "industrial recovery has been to some extent retarded by strikes," he proposes "a specific trial period of industrial peace."

KOHLER Manufacturing Company employees at Kohler, Wis., vote in favor of their company union, 1063 to 643 (September 27), in preference to the American Federation of Labor union which has directed the strike prevailing since July.

THE American Federation of Labor meets in annual convention at San Francisco (October 1). President William Green asserts Labor's unflinching demand for a six-hour day and a five-day week. He states that the ranks of unemployed have been reduced by 4 million in the last year but that 10 million are still idle.

A PROPOSAL by President Roosevelt for a truce between industry and labor is accepted first by the United Textile Workers (October 3), recently on strike, who suggest a six-months trial.

A SIX-HOUR day and five-day week are unanimously voted by delegates to the A. F. L. convention (October 8), after President William Green had declared that Labor was "unalterable and uncompromising" in its purpose to achieve that end by political pressure for the Connery bill in Congress and by economic pressure via the strike.

THE A. F. of L., in convention, departs from time-honored theory (October 11) and votes to experiment with "vertical" industrial unions, rather than "horizontal" craft unions; one union for the whole automobile industry, for example.

WILLIAM GREEN is unanimously re-elected president of the American Federation of Labor (October 12). He has already served ten yearly terms.

A 36-HOUR week is established for the cotton-garment industry as the President signs an executive order (October 12) approving the recommendation of a special committee, whose findings were accepted in advance by the industry. Wages will be raised so that 36 hours work draws the present 40-hour pay.

Agriculture

The farmer's high estate . . . in comparison, at least.

AAA reports (October 8) that farm income—June, July, August—totaled 1508 million dollars. This compares with 1316 million in the same three months of 1933. Included in the 1934 figures are 133 million dollars received by the farmer in "benefits" for not producing.

PEANUTS are subjected to a processing

tax of one cent a pound by proclamation of the Secretary of agriculture (September 25). They had been included among the basic commodities to be aided by the AAA by Congress in its last session. The Secretary finds the current average farm price of peanuts to be 2.8 cents a pound, with the law permitting him to fix the tax so that the full price would be 5.6 cents.

THE AAA increases the processing tax on burley tobacco from 2 cents to 6.1 cents a pound (September 28) and eliminates the tax on Maryland tobacco.

Germany

A new trade agreement with the United States is asked for.

LUDWIG MUELLER is installed as first Reichsbishop of the German Evangelical Church (September 23), while opposition pastors are loud in their denunciation of the new deal as an attempt to make the church a branch of the government.

GERMANY notifies the United States (October 13) that it "intends to bring about changes" in its 1925 treaty of commerce and friendship. It is "ready at any time to engage in negotiations concerning the future shaping of German-American commercial relations."

Most Protestant clergymen in Bavaria read from their pulpits (October 14) a manifesto calling on church membership to refuse obedience to the Reichsbishop and government domination.

Chinese Silver

A silver-using country is embarrassed by a New Deal experiment, and tries an experiment of its own.

CHINA protests to the United States (September 23) that the silver-purchase policy at Washington, stimulating the price per ounce, is resulting in a dangerous strain on Chinese monetary reserves and causing a fall in internal prices.

SECRETARY of State Hull (October 2) replies to China that the silver-purchase program is an Act of Congress, mandatory upon the executive branch. But the Government at Washington will give close attention to matters of time and quantity in view of Chinese considerations.

CHINA places a 10 per cent tax on silver exports (October 14), in an effort to halt the drain of silver to the United States.

France

A program of constitutional reform is proposed by Premier Doumergue—or else!

PREMIER Gaston Doumergue talks to the French people in a radio address (September 24) pleading for increase in the power of his office; for a method of dissolving the Chamber of Deputies and holding new elections as in Britain; for the right of the Government alone to in-

duce money measures; and for a solution of the problem of government employees in politics. One citizen in ten is said to be on the French government payroll. *Le Temps* editorially says: "If the state is not reformed as M. Doumergue proposes, then in a few years—perhaps in a few months—it will be all over with our liberal régime."

A CHECK to the active promotion of French foreign policy comes in the death of Foreign Minister Louis Barthou (October 9) as a result of bullet wounds received while riding with the assassinated King Alexander of Yugoslavia at Marseilles. His one ambition was to strengthen relations with allied and neighboring countries, one by one.

PREMIER Gaston Doumergue reorganizes his cabinet (October 13) as a result of the death of Foreign Minister Barthou and the resignation of Albert Sarraut, Minister of the Interior, who assumes responsibility for police failure to prevent the assassination of Yugoslavia's king, Pierre Laval—Premier in 1931-32—becomes Minister of Foreign Affairs and Paul Marchandieu Minister of the Interior.

The People Nominate

Lines are drawn for mid-term elections in the states, as primaries and conventions come to an end.

WISCONSIN primaries (September 18) are notable for the abandonment of the Republican party by two LaFollettes of the second generation. Robert M. LaFollette and Philip F. LaFollette gain nominations at the head of a new or revised party, the first for Senator and the second for Governor. Democrats chose John M. Callahan for Senator and renominate Governor A. G. Schmedeman. Republicans choose John B. Chaple, editor, for Senator, and Howard T. Greene, dairy farmer, for Governor.

MISSISSIPPI Democrats (September 18) reject Senator Hubert D. Steppens, twenty-two years in Congress, and choose instead Theodore G. Bilbo, former Governor and former Baptist evangelist, who favors "the redistribution of the wealth of this nation by every means both direct and indirect."

MASSACHUSETTS primaries (September 20) result in the renomination of Senator David I. Walsh, Democrat, and in the selection of Robert M. Washburn, Republican, to oppose him. For Governor: James M. Curley, Democrat, former Mayor of Boston, and Gaspar G. Bacon, Republican, present Lieutenant-Governor.

ARIZONA Republicans nominate Col. J. E. Thompson (September 24) to oppose Senator Henry F. Ashurst, Democrat.

NEW YORK State Democrats, in convention at Buffalo (September 27) renominate Governor Herbert H. Lehman and U. S. Senator Royal S. Copeland.

Continued on page 15

Appendicitis Warnings



"I can give it to you, of course. But if I were you I wouldn't take anything for it without the advice of a doctor. Those abdominal pains may mean appendicitis."

THE symptoms of appendicitis vary. Almost always, continued pain and tenderness in the abdomen are the first indications of an acutely inflamed appendix. Of course, not all intestinal aches are caused by appendicitis, but anyone who has continued, unrelieved abdominal pain, especially if it is accompanied by nausea or vomiting, needs competent medical attention at the earliest possible moment and not self-medication.

If it is appendicitis the use of a laxative is dangerous. It stimulates violent intestinal action and may spread the inflammation, cause the appendix to rupture, or induce peritonitis. Moreover, the sufferer should not be given food, drugs or medicine of any kind unless prescribed by the attending physician.

Send for your doctor immediately if there is any suspicion of appendicitis. In making his diagnosis he may find it necessary to make one or more blood cell counts or to observe your temperature for a few hours, keeping you quietly in bed under close observation.

Your doctor may decide that the attack does not clearly denote appendicitis and can be relieved without an operation. But if it is a clear case of acute appendicitis, he will probably recommend an operation within the shortest possible time.



Performed by an expert surgeon, early in the attack, before the appendix has burst or peritonitis has begun, an operation for acute appendicitis should cause little concern.

METROPOLITAN LIFE INSURANCE COMPANY
FREDERICK H. ECKER, PRESIDENT

ONE MADISON AVE., NEW YORK, N. Y.

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The Pulse of Business

(Continued from page 58)

American Federation of Labor. They show for the month of September that 21 per cent of all trade union members were unemployed and 24 per cent only partly employed. Insofar as these figures are representative, they would indicate that business cannot be above 79 per cent normal or below 55 per cent. If we look over the list of indices which compose our combined index it is probable that department store sales and the circulation of bank deposits outside New York City are the most representative of general conditions. Store sales are 78 per cent of normal and deposit turnover is 72 per cent. These two figures do not adequately report speculative activity, an important part of the business picture, and fail likewise in their response to activity in the capital goods industry. On the other hand our own index probably accords these factors more weight than they would have in an ideal and absolutely accurate composite index. It is a reasonable conclusion that business today is from 65 to 70 per cent of normal, that it is not as good as it was a month ago, that it has been falling off during the last four months and is not quite as good in general as it was a year ago.

Labor's Textile Defeat

One of the conspicuous reasons for the poor state of business is the textile strike which ambitious labor leaders called on the first of September. Certain grievances of the men were fanned into a *casus belli*. The rise of labor costs under the codes stimulated the introduction of new machinery and the workers were asked to operate a greater number of looms. In some instances this "stretch-out" was abused by the employer and the worker was forced to carry more than the fair increase which the saving in labor by the machines would justify. Another device to offset the higher minimum wages was a check upon the pay of more skilled workers so that the difference between such wages and the minimum were not the same as in the pre-code period. The curtailment of output forcing a reduction of the work week from forty to thirty hours brought a corresponding cut in wage payments with the result that the workers were not getting the minimum pay envelopes which the codes had promised for the full week. Finally there was the race in this industry, as in others, between the employer organizing a company union to bid for the allegiance of his workers and the A. F. of L. organizer who considered his own the only legal and just vehicle of collective bargaining.

Some of these grievances had already been under investigation by the division of research and planning of the NRA. The findings, insofar as they had been released, were on the whole unfavorable to labor and its truculent leadership decided upon war. After two weeks of violent striking, involving the loss of fifteen lives, millions in wages and additional unestimated millions in

property, the workers received and accepted the worst defeat since the automobile settlement at the end of March.

The coup de grace was administered by the Winant committee. The strikers were given some comfort by a part of the report which told General Johnson that he was talking through his hat when he claimed the strikers had agreed with him not to go on strike. The defeat of the workers is to be found in the recommendation of the Winant committee that the ability of the industry to meet the demands of the workers and their wage status in relation to workers in other industries be first studied carefully and impartially before any action is taken. Hitherto the labor leaders, abetted by numerous partisan supporters in the Administration, had demanded shorter hours and higher pay on the ground that the cut in hours would provide more jobs and the rise in pay increase consuming power. This was deemed sufficient justification for the 30-hour week and the 33 1/3 per cent rise in wages which the textile leaders demanded.

The Winant committee said in effect, "Just a minute. These higher wages must be paid by your employers who in turn must first obtain them from the consumer. That you workers and the vast body of consumers who must buy your products are identical bodies is an academic theory of questionable validity which we cannot at this point use as the basis for a decision on wage increases. If you want higher wages, our first job is to determine if you are entitled to them. To do this we shall study wages paid to other workers at this time and in order that no question may be raised regarding the competence or impartiality of the findings we shall ask the Department of Labor to make the study. Secondly, we shall ask the Federal Trade Commission to examine the condition of the industry to determine whether your higher wages can be paid without destroying the industry and with it your jobs."

It is not certain that the Administration recognized the reversal of its labor policy which the recommendations implied, but to its credit may be placed the immediate acceptance of the Winant report and these two recommendations in particular. The studies have already been launched. The Federal Trade Commission has sent out four thousand questionnaires to employers. Its findings will throw light on two moot questions.

"Is this industry making any money under the New Deal?"

"Can it afford to pay higher wages?"

Mr. Francis J. Gorman is still busy extolling the magnitude of his victory. Curiously enough, he is most active in impressing, not the general public, but the workers in the industry and his own colleagues in the A. F. of L.

Cotton Enjoys a Fever Flush

The chart on page 56 shows the course of cotton consumption and general business since 1919. The industry, from the

grower to the final merchant who distributes the finished product, is not enjoying the best of health. The grower at the moment is profiting from a mere trifling prosperity induced largely by government regulation and stimulation. The ability of the grower to borrow 12 cents a pound from the government on his cotton establishes an effective lower limit for the price. This might work out better if the staple were consumed entirely at home.

During recent years approximately forty per cent of the crop has been exported and the price of the crop has been determined in a world market. The cotton trade is now receiving information, growing in volume, that the resistance of foreign consumers to American cotton is increasing. So far as possible they are satisfying needs with cotton grown in India, Egypt, China and Brazil. This cotton can be purchased at prices from 1/2 cent to 2 cents a pound under the American product. It places the latter in an unwholesome position where it serves to satisfy only those demands which remain after other supplies have been exhausted.

Taxing Foreign Trading Profits

Another factor affecting the American market adversely is the decision of the Treasury to tax foreign profits in the American cotton market without permitting deductions for losses incurred in other markets. An English cotton trader, for example, may find it necessary to hedge a purchase of India cotton in Bombay with the sale of American cotton in New York. The purpose of this hedge is to offset the loss on the Indian transaction with a gain in the American deal, a perfectly legitimate speculative device to eliminate losses. Under the policy of the Treasury the English trader is taxed on the New York profit without the right to offset it with losses in the Bombay market. The effect of this is to discourage foreign trading in American markets, to curtail severely trading in futures, to remove a stabilizing influence in the market and to provoke foreign buyers to the point where, other things being approximately equal, they will buy elsewhere than in the American market. Yes, sir, the Yankee is a sharp fellow. He is not going to let these foreign speculators get away with anything.

In this as in other matters it means that the American government is leading agriculture and industry toward that very nationalism which Henry Wallace professes to dread.

Government Price Policy

This all ties in with the price policy of the government, control of production, and the removal of surpluses. Estimates place the current cotton crop at 9,500,000 bales. With the carry-over of 10,600,000 bales this gives the country a total supply of 20,100,000 bales. It is not likely that the government will remove the peg of 12 cents a pound and subject the cotton grower to the mercy of world markets. To the extent that competing cotton growing areas respond to the stimulus of reduced competition, Uncle Sam will be forced more and

more to restrict cotton to a domestic basis, absorb the surplus, or both.

The same trend is evident in other crops. The Commodity Credit Corporation has just raised the loan basis on turpentine from 38 cents to 48 cents a gallon and on rosin from a range of \$3.14-\$3.64 to \$4.00-\$4.50 per 280 pounds. This had an immediate effect upon the markets. Over the October 6th weekend turpentine prices rose 6 cents a gallon on the New York market. Rosin made similar gains. In past years about 55 per cent of our naval stores have been exported. Competitors in this field are Portugal, Russia, Indo-China and Greece. Some of these did not appear in the field until this year.

China and the Silver Act

At the same time that the government is maintaining the price of specific commodities through loans it is turning its attention to general price stimulants. It is complying with the provisions of the Silver Purchase Act although the protests of China, that the rise in the price of silver is causing a deflation in Chinese prices and that the vigorous buying program of the American government threatens to denude China of her silver stocks, may force a modification of the program.

It required all the eloquence, patience, and tactful pressure of the President to sell the silverites in the last Congress something less devastating than their own proposals. The Silver Purchase Act in its final form authorized Mr. Roosevelt to acquire, at his discretion, a sufficient quantity of silver so that the ratio of the two metals, silver and gold, in the nation's monetary stocks, would be as 1 is to 3.

A spokesman for the Chinese Finance Ministry claims that every increase in the price of silver "hits the Chinese government directly in its pocketbook". Here is the way it works: China levies a duty upon imports calculated in gold, but payable in silver. Assume that a given volume of imports would pay in silver an aggregate duty equal to one million ounces of gold. If one ounce of gold is equal to 75 ounces of silver, this yields a revenue of 75 million ounces of silver to China.

Now the American government enters the scene and bids up the price so that the ratio between gold and silver is 1 to 60, instead of 1 to 75. The revenue of the Chinese government has thus been reduced from 75 million to 60 million ounces of silver.

The mischief which the Silver Purchase Act perpetrates upon the Chinese is serious. The authorities in China have sought to prevent the drain upon their silver with an export tax of 10 per cent.

It is significant that the President in his last press conference told the newspaper men that the government is not yet through with price experimentation. He denied what had appeared to be an earlier commitment to restore the 1926 level. This last statement seems to indicate the government will strive first to bring about a general rise in prices to an unstated higher level and that it will attempt stabilization in the prices of particular commodities. He was not able

\$16,100,000

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Reductions in commercial and industrial rates since 1928 are taking away	3,800,000
Increases in taxes at the rate of \$9,000 a day since 1928 are taking away from investors	3,300,000
The recent change in the corporation income tax law, it is estimated, will this year take away.	3,000,000
Total being taken away from investors in the Associated System in one year	\$16,100,000

The principal result of these forces is to impair the savings of a large number of thrifty small investors. When, however, the far-reaching consequences are sufficiently realized by investors, and their protests become sufficiently vigorous, they will receive the consideration they deserve.

Look for a discussion of these problems in the October issue of the Associated Magazine, which is a special security holders' number. The magazine is sent free to all Associated security holders. Others may obtain it for 10c.

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★PLEASE remember that this magazine is not in the business of selling investment information, but is sincerely interested in serving its readers in the fullest measure. The investment counsellor we retain was for ten years the financial editor of a leading national magazine. He spent five years with a New York investment house and for more than a decade has served private clients in a continuous advisory capacity. His time and knowledge are at the service of our readers. A nominal charge is made.

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QUESTION: Is it possible to provide for paying off a mortgage through life insurance, so that my family inherits a home instead of a debt?

ANSWER: When a home is mortgaged, there is the ever-present possibility that the owner may die before paying off the debt. But if there is a special life insurance policy, for the amount of the mortgage, the family inherits the home—not the mortgage. Moreover, if the life insurance policy is issued on the endowment plan, the policy may mature during your own lifetime and provide the means for liquidating the mortgage if it is then existing. Quite frequently the ordinary life insurance policy is employed, as this gives life insurance protection throughout the entire lifetime of the owner.

Q: If my estate were sufficiently large at my death, what exemptions would be allowed under the Federal Estate Tax?

A: Under the Revenue Acts of 1926 and 1928, there was a statutory exemption of \$100,000 in addition to administration expenses. There is an additional exemption of \$40,000 of life insurance, payable to a named beneficiary other than the estate of the insured. In 1932, the Revenue Act lowered the statutory exemption to \$50,000 in addition to the administration expenses; and the above stated exemption of life insurance is unchanged by the Revenue Act of 1934.

Q: Is it possible for me to make a bequest to a charitable institution, to my son's college, for instance, through a special life insurance plan?

A: Many people who are disposed to make a bequest to some favorite charitable institution do not take into consideration that the residuary estate may be insufficient to take care of the needs of dependent heirs. The plan to be suggested here, is that a special life insurance policy be issued in favor of a hospital, a charity, a college, or any other institution. This contract makes possible a specific bequest without infringing upon the estate accumulated for dependents and relatives. The estate itself will thus be conserved and the bequests paid promptly at the death of the insured to the institutions named.

Q: Several of my older friends have been urging me to buy an annuity. I am interested, but neither willing to show ignorance to my friends nor quite ready to risk exposure to an insurance agent. Please inform me about annuities.

A: Most people, it is true, are ignorant concerning annuities. There are three types—a life annuity, a refund annuity, and a cash refund annuity.

A Life Annuity is a contract which makes possible financial provision for your future—an insured fixed amount of monthly income which is guaranteed as long as you live. A Life Annuity is an attractive income, yielding a greater

return than could be earned by some other investment, for the return on a life annuity is sweetened by the return to the purchaser each month of part of his premium as well as the interest earned.

A Refund Annuity is similar to the Life Annuity, inasmuch as it guarantees an annuity for life to the annuitant; but in addition it provides that if at the death of the annuitant, the annuity payments made by the insurance company do not equal the consideration paid, payments will be continued to a specified beneficiary until the return equals the consideration paid.

A Cash Refund Annuity is like the Refund Annuity, except that where at the death of the annuitant, annuity payments already made do not equal the consideration, the difference is paid in a single sum to a beneficiary in lieu of annuity payments being continued until the return equals the consideration.

Q: I am a woman 27 years old. Can I provide for my old age through a life insurance policy?

A: Yes, you may provide for old age by this method of saving. Today it is the ambition of every prudent young woman to have ample means for all the necessities, and a few of the luxuries of life, not only during the years of greatest earning power, but especially during the leisure days of the future. This laudable ambition may be gratified through any one of several policy forms issued by any company writing Retirement Annuities and life insurance. First, an endowment form for 15, 20, or 25 years. Second, a Retirement Annuity form maturing in 20 to 25 years. Third, a life policy converted to an annuity after the insurance contract has been paid up.

Q: Is there a policy issued that not only protects one's family with life insurance, but at the same time assures the purchaser of a retirement income?

A: There is a type of policy being written today that will meet these two requirements. It is known as the Optional Retirement policy. Under its provisions a man is assured a guaranteed life income on reaching old age; and on the other hand, if his life should be cut short, the insurance element will provide for his family. The principal features of this policy are:

1. Immediate life insurance protection until retirement; and then

2. A life income to the insured himself at an optional retirement age, or jointly to him and his wife, with two-thirds to the survivor; or,

3. At age 65, fully paid up life insurance paying him dividends; also a cash payment to him of \$266 for each \$1000 of insurance; or

4. Payment of full amount of the policy to the insured in cash, at age 65.

Readers are invited to submit insurance questions. Answers will be given by mail or printed here. Address: Insurance Service Division, Review of Reviews, 233 Fourth Avenue, New York.

Analyzing the Food Companies

Continued from page 51

fourteen would have cost \$1,204 at the 1929 high point, 257 at the 1932 low point, and \$538 on October 1, 1934.

If the investor were buying net earnings he would have obtained \$67.05 in 1929 (total net earnings per share of our fourteen companies) for his \$1,204, or a price of \$18 per dollar of net earnings. This year—taking the market price on October 1, and only those nine companies which report half-year earnings—the investor could buy \$20.66 of net earnings for \$310, or a price of \$15 per dollar of net.

A dollar thus bought 5½ cents in net income at the peak in 1929, and 6 2/3 cents on October 1, 1934. The difference is that the investor wore rosy-hued

glasses in 1929, while later circumstances forced him to change to glasses with a blue tinge. And yet it is plain that the investor has shown remarkable confidence in the common shares of food companies during these long years of general business uncertainty.

This measure of "price per dollar" is the crux of the Lawrence method of analyzing and comparing security values. There are three "price per dollar" tables accompanying this present article, and the reader's careful attention is directed to them. Again we remind him, though, that the thing is nothing more than it purports to be; a convenient arrangement of essential statistical data as published by the companies themselves.

FOURTEEN FOOD COMPANIES

American Sugar Refining Company. Refines about a million tons of imported raw sugar each year. Principal plants at New Orleans, Brooklyn, Boston, Baltimore, and Philadelphia. Also operates two "centrals" in Cuba that produced 80,000 tons last year. Company suffers from a tariff which has stimulated imports of refined rather than raw Cuban sugar, from 1200 tons in 1925 to 440,000 tons in 1933. Profit from operation, 1933, \$6,411,000.

Borden Company. Original product condensed milk; now includes fluid milk, ice cream, cheese, butter and eggs. Acquired Horton and Reid ice cream in 1928, and Walker-Gordon specialized milk products in 1929. Total sales 186 million in 1933; profit on sales \$3,661,000.

California Packing Corporation. Said to be the largest packer and distributor of canned fruit, vegetables, and fish. Trademarks include Del Monte and Sun-Kist. Operates 78 plants, mostly in California, and is an important factor in Hawaii pineapple and Alaska salmon. Gross operating profit, 1933, \$6,017,000.

Corn Products Refining Company. A 1906 merger, of doubtful financial success for the first ten years; since then a consistent money-maker. Company sells packaged goods to the housewife and glucose in bulk to rayon and other industries. Trademarked products include Karo Corn Syrup, for the table, Duryea's corn starch for desserts, Argo gloss starch and Linit for laundry use, and Mazola salad oil for cooking. Factories abroad are highly profitable. Profit from operations, 1933, 12 million dollars plus an estimated 4 million from subsidiaries.

Cream of Wheat Company. Makes only one product, a cooked breakfast food, at one plant in Minneapolis; but it is extensively advertised and enjoys a nation-wide sale. Until 1929 the company was privately owned, and even now voting power centers in three trustees representing early interests. Gross profit on 1933 sales, \$2,740,230.

Cudahy Packing Corporation. Business dates back to 1887, present corporation to 1915. Purchases and slaughters livestock. Sells veal, beef, mutton, lamb,

and pork. Makes and sells lard and butter (and substitutes), soap and cleansing powders (Old Dutch Cleanser), glue, hides, and fertilizer; also sells eggs, poultry, and cheese. Plants in Omaha, Kansas City, and eight other cities. Total sales 124 million in 1933; profit on sales, \$4,150,000.

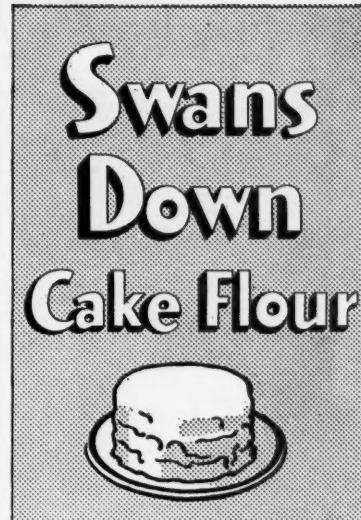
General Foods Corporation. Began as the Postum Cereal Company in 1895. Manufactures and distributes packaged cereals that include Grape-Nuts and Post Toasties; beverages that include Maxwell House coffee, Baker's Cocoa, and Postum; ingredients that include Diamond salt, Calumet baking powder, and SwansDown cake flour; and such other trademarked products as Log Cabin Syrup, Minute Tapioca, Jell-O, and Frosted Foods. Gross profit last year, 46 million dollars.

General Mills, Inc. A 1928 merger of Washburn Crosby Co. with three other flour milling companies. Later acquired additional milling, grain, and elevator companies. Owns and operates mills in 20 cities. Principal brand Gold Medal. In 1933, net operating profit 4½ million dollars.

Hershey Chocolate Corporation. A privately owned corporation until 1927. Founded in 1893 by M. S. Hershey, who originated the chocolate almond bar. Believed to be the largest manufacturer of chocolate and cocoa in the world, selling to consumers, candy makers, and bakers. Gross profit on sales, 1933, \$7,634,000.

Loose-Wiles Biscuit Company. A 1912 incorporation. Manufactures crackers, principal brands being Sunshine and Edgemont. Factories in Boston, New York, Chicago, St. Louis, Kansas City, Minneapolis, Omaha, Dallas, and Pittsburgh. During 1929-31 was active in absorbing smaller biscuit companies. Net profit after operating expenses, \$3,200,000 in 1933.

National Biscuit Company. Incorporated in 1898. Manufactures crackers, plain and fancy, in wide variety. Also makes some bread, owns a flour mill, and operates a container factory. Its Uneeda Biscuit, pioneer among packaged crackers, is 35 years old. Company ac-



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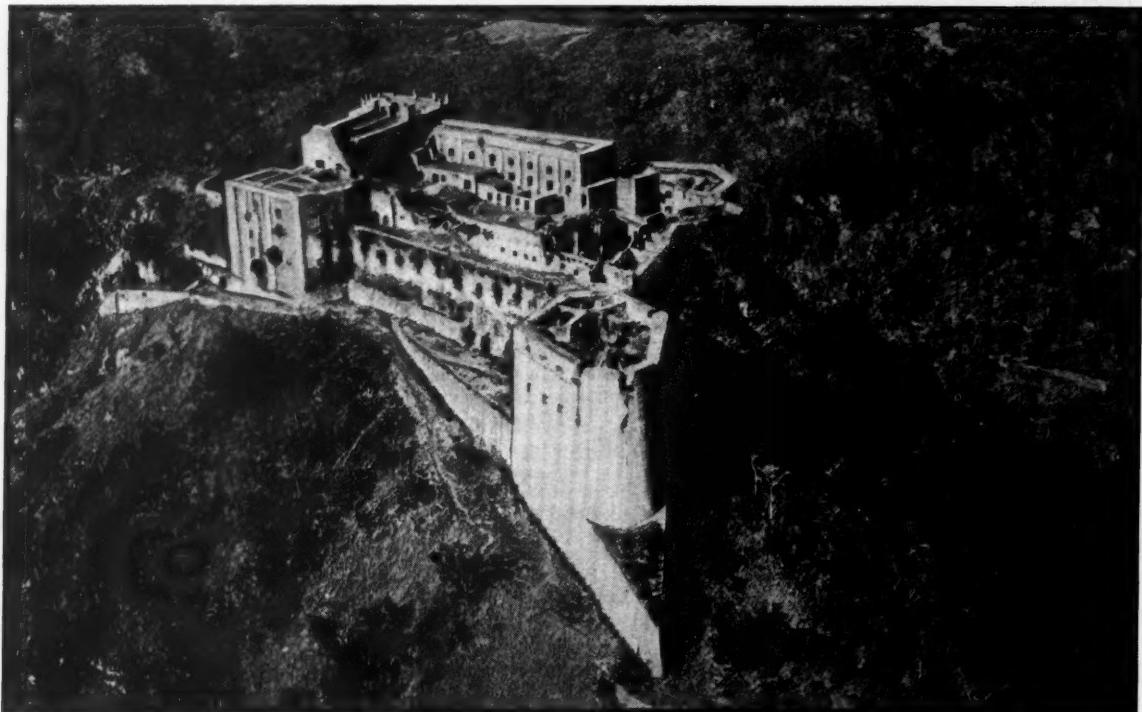
quired Shredded Wheat in 1928. Earnings in 1933, 20 million dollars.

National Dairy Products Corporation. Incorporated in 1923. Gathers (or manufactures) and distributes milk, fluid, condensed and powdered; butter, cheese, eggs, ice cream, and soft drinks. Owns such properties as Sheffield Farms Dairy, Kraft-Phenix cheese, Miracle Whip salad dressing. Rapid expansion by acquisition. Total sales 231 million in 1933; profit on sales, 11 million.

Standard Brands, Inc. A consolidation of trademarked food products, chief among which are Fleischmann's yeast (1869), Chase & Sanborn coffee (1864), and Royal baking powder (1866). Since repeal, Fleischmann's dry gin has been a factor. Yeast in pound packages for bakers is the principal money-maker. Gross profit last year, 45 million dollars.

United Biscuit Company. A 1927 consolidation of fifteen bakeries making cakes, biscuits, crackers, and cookies, largely in the West and Middle West. Trademark "Supreme". Gross profit, 1933, \$6,841,000.

TRAVEL DEPARTMENT



AN AIRPLANE VIEW OF THE CITADEL OF LA FERRIERE. THE TRAIL FROM MILOT IS VISIBLE IN THE FOREGROUND

Haiti's Monuments to Pride and Fear

Globe-trotters, weary of well-worn European paths, find new sights and sounds to intrigue them in the Americas. The West Indies challenge the traveler who demands something out of the ordinary.

THE clouds that haunt the sombre mountain tops of northern Haiti drift through the gun ports of the proudest fortress of the Western World. The Citadel of La Ferriere, empty and useless now, declares the unsuspected strength of a race aroused from bondage. It also bears witness to fear behind that strength, the awful fear of reenslavement. At the foot of the mountain so mightily crowned is a monument to pride in a lighter vein, the black king's palace of Sans Souci.

These two structures, which now stand desolate in the bright Haitian sun, were born in the minds of dark-skinned revolutionaries. They were built by able engineers, and they were witnesses of almost incredible scenes of bloodshed and violence—a century ago.

At the time of the French revolution, Haiti was a French colony, known as Saint Domingue. The seeds of "liberty, equality and fraternity" found fertile ground in the mixed population which was torn by dissension between rich white planters, property owning mulattoes, and the blacks who outnumbered the other classes many times over. Toussaint L'Overture sided with France in the ensuing struggles among these groups

By U. T. BRADLEY



THE MARKET PLACE, PORT AU PRINCE,
IN THE BLACK REPUBLIC OF HAITI

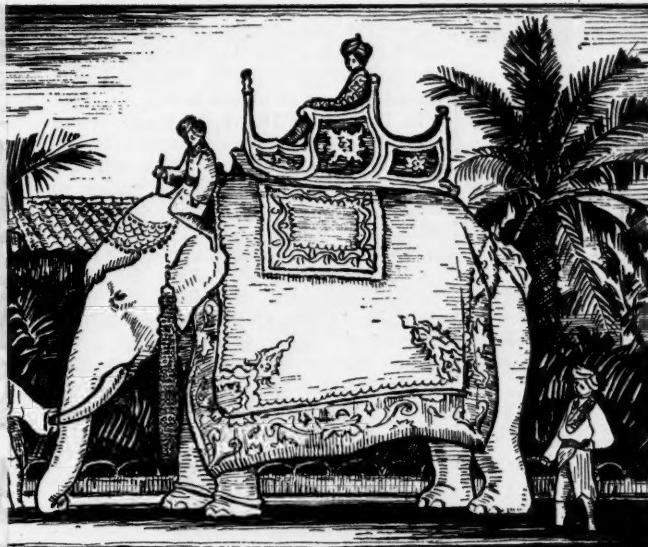
and overcame the intervening English and Spanish. He became governor under nominal French authority.

On Napoleon's accession to power he sent his brother-in-law, General LeClerc, with a large army to reduce the island to complete obedience. He dreamed of a great colonial empire in America with Saint Domingue as his base of operations. As preliminaries to reenslavement, black generals were to be sent to France at the first opportunity, peaceable if possible, and the population was to be disarmed. Toussaint was treacherously kidnapped and sent to die of starvation and pneumonia in an Alpine dungeon.

The Negroes rose again in fear. Led by Toussaint's former lieutenants, Jean Jacques Dessalines, Henri Cristophe, and the mulatto Pétion, they fought with ferocity born of desperation. Death and disease finally forced the French to withdraw from the island forever. In the village of Arcahaie, Dessalines tore the white strip from the tri-color of France and stamped it into the dust, keeping the red and blue, symbolic of the union of mulatto and black, to form the flag of Haiti. He became emperor.

Dessalines was all savage warrior.

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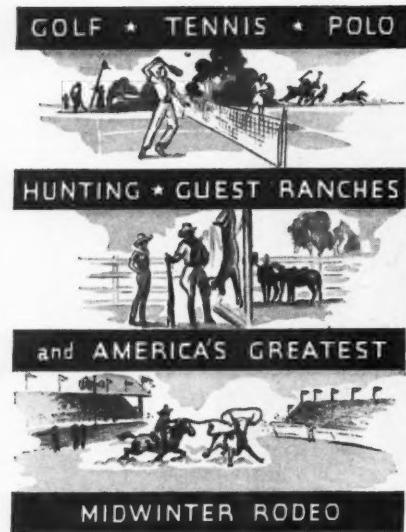
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ignorant, drunk with power, by turns tyrannical and absurd, he soon died on the bayonets of his own soldiers. After the death of the emperor, General Petion became president of the south.

In the north, Henri Cristophe seized control of the government and crowned himself king. As Henri I he felt the need of dignity for the black nation so recently freed from the chains of slavery. He set up a court which, in externals at least, was the equal of any of the time.

The royal palace of Sans Souci, at Milot, became the embodiment of majesty, the symbol of the joy and dignity of freedom. Covering many acres, it included the palace proper and extensive wings for the housing of the nobility who graced the court with a superabundance of jewelry, plumage, and gold lace. There was a large domed chapel, and quarters for the royal body guard, the thousand picked men of the Black Dahomeys.

A Royal Suicide

Under Henri Cristophe the north country prospered, but his cruelty was too much, even for those bred on nothing else. In 1820, with insurrection breaking out on all sides, Henri calmly arranged for the safety of his family and then, clad in his most splendid uniform, shot himself in his royal bedchamber at Sans Souci. His body was carried up to the Citadel by a few faithful followers and there buried in lime. Such is the story behind the ruined palace and the desolate fortress.

Today, Sans Souci and the Citadel may be visited in a three-day round trip from Port au Prince. A drive of 170 miles brings one into Cape Haitien for the first night. This road is no boulevard by American standards, but the rough places are forgotten in the interest of the drive. The entire way is teeming with life. It is lined with caravans of market women riding burros or driving them ahead, women bearing loads on their heads, all proud, erect, and very black. Every stream is full of women washing clothes, for the Haitian is clean. Thatched villages of mud plaster or wattle work flash by, looming through the foliage like bits of Africa. The Port au Prince chauffeur speeds through all this primitive life at 40 miles an hour, honking furiously. Women whip their burros to the side of the road without apparent resentment. Before reaching Cape Haitien the road climbs to a height of 3600 feet to pass over the mountain range of the north. One is reminded that Admiral Popham is said to have described the contour of the island by crumpling a sheet of paper and placing it before George III.

Cape Haitien offers little to one who is ignorant of its history. It has been twice destroyed, fired by the revolting slaves and later shaken down by an earthquake, after which the natives came out of the hills, not to rescue but to plunder. Ramshackle huts are clustered among the ruins of once splendid buildings like weeds in a rose garden gone wild. The light sleeper is disturbed by the crowing of roosters and the barking of dogs, and the ever striking bells of several clocks which disagree by some

twenty minutes. Occasional slops spatter in the streets from upper balconies, as likely as not bringing a torrent of protest from some unwary pedestrian.

There is no dawn at "the Cap". At five-thirty church bells clang for mass and reveille blares at the barracks of the Garde d'Haiti. Shutters and doors clatter open and the day has begun.

It is a forty-minute drive to Milot, the village which lies at the gates of Sans Souci. Here, at the Garde barracks, the car is exchanged for mules. The way to the Citadel leads through the town and the ruins. No one could properly describe the majesty of those ruins, framed in their background of jungle and foreground of primitive huts.

After passing the palace gates and leaving behind the towering central ruin, the mules pass under the star apple tree where Cristophe is said to have dispensed justice, giving decrees which were executed within the hour. Here it is well to dismount and wander to the rear of the palace through the gardens of the queen. The view of the well preserved rear facade is even more imposing than the front.

We also pause on the parade ground. Here it is said the Black Dahomeys once passed in review before the British admiral, Sir Home Popham. Emerging from the lower end of the palace the troops marched past and disappeared behind the buildings beyond. All afternoon the guard of a thousand picked men marched round and round the palace and before the reviewing stand, and Sir Home, to whom one Negro looked very much like another, estimated that he had seen 30,000 well trained troops.

Before reaching the foot of the mountain one passes over acres of overgrown, crumbling ruins and realizes anew the extent of the establishment that was quartered here. Most of the outlying wings have been leveled to furnish brick to the inhabitants of Milot for over a century. Only the central structure still stands at its full height, majestic though roofless and crumbling. The walls and dome of the circular royal chapel are being restored.

The Upward Climb

The climb to the Citadel takes about two hours on mules furnished by the Milot gendarmerie. About three-quarters of the way up the trail rounds a spur of the mountain and the Citadel itself appears for the first time. Nothing that can ever be written will give any conception of the grandeur and magnitude of the thing. The photographer succeeds no better than the author; on the ground he is too near to include the whole, and from the air he loses the sense of scale. Despite a familiarity with the works of both, one's realization is sure to be greater than his expectations. The final approach, and the first few minutes within produce a feeling of overwhelming, silent awe.

One can but speculate upon the labor involved in rearing these towering walls of reddish brown rubble and brick, once whitened with a coat of stucco, and now gloriously streaked with orange lichens. Their sheerness is amazing, and the sense of height is increased by the sharpness

with which the peak falls away from their base. A shudder accompanies the thought of the king's favorite form of execution by which the victim was flung shrieking from a lofty rampart into the vast emptiness below.

It is said that the construction of the Citadel cost twenty thousand lives. The guns of the place are unscarred by their journey up the mountain. Many were never mounted. Some are of iron, and are coated with rust. More are of bronze, beautifully coated with a green patina under which they bear easily readable inscriptions.

The Citadel is not a bulky mass of masonry raised by mere brute force, but a finished conception of architecture and engineering whose lines merge superbly into the contour of the rugged peak it seems to crown. Arches and vaults are finely fitted. The royal apartments at the northern end have a delicately worked doorway flanked by sentry boxes which is a joy to the admirer of contemporary French architecture. In the absence of workable stone, here as at Sans Souci, courses are run in brick faced with yellow stucco.

The name of the master builder who designed the structure is unknown. It has been credited to an Englishman, one Ferrier, from whom it is said to have taken its name.

Power—madness—fear—a place of safety against what the gods might bring, these are the parting impressions of the Citadel of Cristophe, but above all the tremendous power of the man to whom the realization of so mad a dream was possible. It is almost believable that he answered an English admiral's boasts of English discipline by marching a company of his own soldiers off the towering prow of his Citadel.

Unknown Rosenberg

Continued from page 37

politicians at Prague. In 1919 they rose against the dominant Czechs, but were handily suppressed. Today they are deeply interested in brown racial-internationalism.

In Austria, with its solidly German population of 6 millions, the Nazis are strictly illegal and their July revolt—which caused the death of the clerical Chancellor Dollfuss—was ruthlessly crushed, although at least half of the Austrian population has pronounced Nazi sympathies. Germany stays out of Austria officially, but the Rosenberg international pursues its effective tactics almost unceasingly. A Nazi government, in close touch with Berlin, already directs the Free City of Danzig, which is a League of Nations protectorate. Nazi propaganda is rife in the Saar coal-basin, whose fate will be decided by a popular referendum which will take place in January, 1935.

In the Far East, Japan (which also hates the Third International) is a potential ally of the Nazi network, and it appears already that feelers have been put out in the direction of Nippon, with her ambitious schemes for a great Pan-Asia. Japanese are hardly blond Teutonists; but the yellow islanders are

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credited with similar medieval virtues, which properly belong to any cult of the "noble savage". General Araki, Japanese warhorse extraordinary, is ideologically a fascist; and it is well known that his sympathies are with the brown brotherhood of Berlin.

The Rosenberg international is extremely interested in the Russian Ukraine, a rich grain sector and a member-state of the Union of Soviet Socialist Republics. During the year 1918 the Ukraine was separated from Soviet Russia and set up as a capitalistic dummy-state under Hetman Skoropadski—supported by German bayonets, to ensure the Ukrainian grain supply for the starving Reich. Today German unemployed and the younger sons of German peasant-proprietors could be settled here profitably as colonists. The Ukraine, which has a Cossack tradition more liberal than that of the rest of Russia, has long been considered the weakest spot in the U.S.S.R.; and many Ukrainian nationalists are unquestionably in touch with the Nazis. There is no Teutonic racial affinity here, but an economic need by the brown international for Ukrainian foodstuffs. Just as communists seek to undermine Nazi Germany, Nazis seek to undermine Soviet Russia; and Ukrainian nationalists have already adopted the famous swastika cross as their party emblem.

The Third International of Moscow is in a weakened position today. Stalin has long been opposed to world propaganda and agitation, as favored by the exiled Trotsky, and red money is now used for internal development, such as the five-year plans, rather than for trouble-making abroad. Red internationalism is on the wane, while its deadly rival—brown internationalism—is in the ascendant. How long it will continue to flourish, none can tell; for it has met with setbacks in Austria and has aligned the western world and the League of Nations against itself.

Dr. Rosenberg's Nazi international dislikes Mussolini exceedingly; for Italian fascism has none of the racial tenets of Berlin, is by no means anti-semitic, and tends to concentrate on such economic innovations as the Italian corporative state. In fact Italian fascism is inclined to be anti-Germanic in its "cultured" philosophy, as it sneers at the late period in which the whiskey Teuton tribesmen learned to read and write and say their prayers. Mussolini has to date thwarted the Nazi international in its Austrian aspirations, and cannot seem to grasp the simple Teuton cult of the "noble savage". Il Duce is essentially an Italian nationalist, while Rosenberg (born in Estonia) and Hitler (born in Austria) are racial internationalists with an historic weakness for the far-flung tribes of Longbeards, Goths, and Vandals.

The after-Roman days in which these berserkers were dominant in every European country (save Ireland and Wales) were perhaps the truest epoch of Nazi internationalism. But Dr. Alfred Rosenberg, formerly a Balt and now a Berliner, is no fool. He has borrowed subtly from the varied tactics of Alaric, of Bismarck, and of his complete philosophical antithesis, the "bestial" Leon Trotsky.



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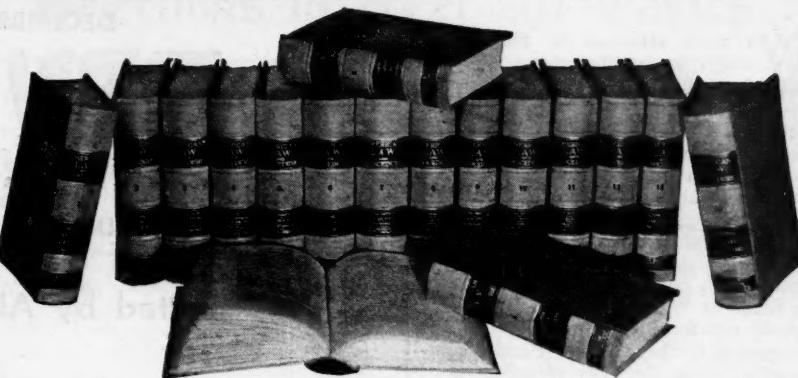
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